



**Brian P. Kemp, Governor**

**Frank W. Berry, Commissioner**

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December 23, 2019

**VIA E-MAIL AND U.S. MAIL**

The Honorable Alex M. Azar II, Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20202

Ms. Seema Verma, Administrator  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Mr. Calder Lynch, Acting Deputy Administrator & Director  
Center for Medicaid and CHIP Services  
7500 Security Boulevard  
Baltimore, MD 21244

***RE: Georgia "Pathways to Coverage" Section 1115 Demonstration Waiver Application***

Dear Secretary Azar, Administrator Verma, and Director Lynch:

The State of Georgia is pleased to submit to the U.S. Department of Health and Human Services (DHHS) the enclosed Section 1115 Demonstration waiver application. The State authorized this Demonstration by provisions in the *Patients First Act* (O.C.G.A. 49-4-142.3) signed in to law by Governor Brian P. Kemp on March 27, 2019.

Our application seeks to launch Georgia's "Pathways to Coverage" – an innovative approach that creates a new Medicaid eligibility pathway for hard working Georgians. Too many of our state's working, low-income citizens do not have access to or are unable to afford healthcare coverage. This Demonstration will provide Medicaid coverage or Employee Sponsored Insurance to Georgians ages 19-64 who are below 100% Federal Poverty Level (FPL), not otherwise eligible for Medicaid, and meet qualifying activities threshold. To further support and prepare Georgians on their journey to self-sufficiency and the eventual transition to commercial health insurance coverage, Georgia Pathways is embracing private market policies and principles, such as premiums, copayments, member rewards accounts, and prospective Medicaid eligibility.

The goals for the Demonstration are to improve access, affordability, and quality of healthcare. Georgia's Pathways to Coverage seeks to increase access to affordable healthcare coverage, lower the uninsured rate across Georgia, support members on their journeys to financial independence, and promote members transition from the Medicaid program into private coverage.

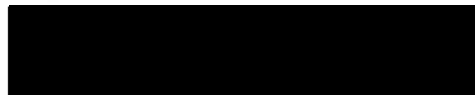
While the Georgia Pathways application is requesting 90/10 funding for a partial expansion to 100% of the FPL, we acknowledge recent guidance given to states by the federal government has addressed this issue. As such, we anticipate, and have budgeted for the State's standard Medicaid match rate. Georgia is requesting approval of its 1115 Demonstration which includes the following:

- Creating a new Medicaid eligibility pathway for working Georgians
- Instituting premiums and copayments for Georgia Pathways members with incomes between 50% and 100% FPL
- Incentivizing healthy behaviors
- Creating a Member Rewards Account
- Implementing a mandatory premium assistance program for employer-sponsored insurance
- Eliminating retroactive Medicaid coverage and hospital presumptive eligibility for Pathways participants

Through the passage of the *Patients First Act*, Georgia has sought to address challenges for hardworking Georgians accessing and affording their health care. Our proposals – both this Section 1115 demonstration application and our Section 1332 application, Georgia Access -- seek to create a market where Georgians can have access to affordable, quality healthcare close to home. Through the Administration's leadership, states have been afforded the opportunity to craft innovative solutions to state specific challenges, and our applications represent a first-step state-led innovative approach.

We appreciate DHHS' commitment to support state innovation, and we look forward to your continued support as we develop innovative approaches to providing Georgians with access to affordable, quality healthcare to further the State's vision of creating "A Healthy Georgia."

Respectfully,



Frank W. Berry  
Commissioner  
Georgia Department of Community Health



Blake T. Fulenwider  
Chief Health Policy Officer  
Georgia Department of Community Health

Enclosure

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## **Georgia Section 1115 Demonstration Waiver Application**

**December 23, 2019**

**Department of Community Health**

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# Section 1: Program Description

## Section 1.1: Background

Created in 1999 by the General Assembly, the Georgia Department of Community Health (the Department) is one of the four health agencies serving Georgia, and it is the single state Medicaid agency. The Department's mission is to provide Georgians with access to accessible, affordable, and high-quality healthcare and is dedicated to creating "A Healthy Georgia." Georgia currently enrolls approximately 1,300,000 individuals through its Medicaid managed care program, Georgia Families, which includes non-disabled adults with incomes up to approximately 35% of the federal poverty level (FPL) based on Modified Adjusted Gross Income (MAGI) methodology and children living in households with incomes up to 138% of the FPL. An additional approximately 470,500 aged, blind, and disabled (ABD) low-income individuals are enrolled in the State's fee-for-service program.

During the 2019-2020 Regular Session, the Georgia General Assembly passed Senate Bill 106, the *Patients First Act*. This legislation authorizes the Department to submit a Section 1115 Demonstration waiver to the Centers for Medicare & Medicaid Services (CMS) within the United States Department of Health and Human Services (HHS) which may include an increase in the income threshold up to a maximum of 100% of the FPL. The legislation also allows the governor to submit one or more applications to waive applicable provisions of the federal Patient Protection and Affordable Care Act (PPACA) under Section 1332 with respect to health insurance coverage or health insurance plans. Together, these two waivers represent the State's initiative to empower Georgians to increase their access to affordable healthcare coverage and improve their health and well-being.

## Section 1.2: Summary of Proposed Demonstration Program

To meet the intent of the *Patients First Act*, Georgia is requesting approval of an 1115 Demonstration to implement the following new policies that will further the State's vision of creating "A Healthy Georgia":

- Georgia Pathways to Coverage (Georgia Pathways) – Provide a pathway to Medicaid coverage for working Georgians with household incomes up to 95% of the FPL, which includes a 5% of the FPL income disregard (referred to as incomes up to 100% of the FPL), and serves as an incentive for participation in work and other employment-related activities for those not currently engaged
- Consumer Tools – Introduce consumer-engagement elements into the Medicaid program to prepare Georgia Pathways participants to transition into the commercial health insurance market once their income exceeds 100% of the FPL
- Employer Sponsored Insurance (ESI) – Provide premium and cost-sharing assistance to those who become Medicaid-eligible through Georgia Pathways and who have access to ESI through a mandatory Health Insurance Premium Payment (HIPP) program

The State recognizes too many of its working, low-income citizens do not have access to or are unable to afford healthcare coverage. Georgia Pathways is an initiative for these Georgians to gain affordable healthcare coverage. The Georgia Pathways model supports Georgians who are working and/or actively engaged in other employment-related activities by offering these individuals the ability to obtain Medicaid coverage. It also creates an incentive for Georgians to initiate or increase their work effort or engagement in other employment-related activities both to gain access to affordable healthcare coverage and improve their overall health and well-being. Georgia's approach is different than other states because it is not adding a work or community engagement requirement to those who are already eligible for Medicaid. Rather, the State is creating a new eligibility pathway focused on encouraging and incentivizing work and other employment-related activities, for low-income Georgians who are not otherwise eligible for Medicaid coverage.

To further support Georgians on their journey to self-sufficiency and the destination of commercial health insurance coverage, Georgia's program is embracing private market policies and principles, such as premiums, copayments, Member Rewards Accounts, and prospective Medicaid eligibility, for a segment of the Georgia Pathways population. Such tools empower members to make cost-conscious healthcare decisions and take responsibility for improving their health. These policies and principles are fundamental components of a commercial health insurance plan. Introducing these elements into the Medicaid program will help better prepare members for their transition into the commercial health insurance market.

Georgia's Demonstration will also implement a mandatory HIPP program, allowing working, low-income Georgians with access to ESI who become eligible through Georgia Pathways to enroll in that coverage in place of Medicaid, if it is cost-effective for the State. Mandatory HIPP engages Georgians in the commercial health insurance market and allows them to realize the benefits of receiving private health insurance coverage with the cost-sharing protections and financial support of Medicaid.

Georgia Pathways to Coverage advances the objectives of the Medicaid program by extending medical assistance to currently ineligible individuals by creating a new Medicaid eligibility pathway for low-income Georgians. Georgia Pathways also helps families and individuals attain independence by integrating commercial health insurance principles and policies into the Medicaid program to assist with a successful transition into the commercial market.

Given that every low-income individual in the expansion population would be eligible either to enroll in Medicaid through the Georgia Pathways approach or purchase health insurance through the Federally Facilitated Exchange (or through the State's new Georgia Access Model, should the corresponding 1332 waiver be approved), the Department is requesting a 90% enhanced match for this 1115 Demonstration Program. As Administrator Verma commented on September 11, 2019, the number of uninsured will continue to increase until the underlying issues in PPACA are addressed. These issues are real in Georgia, where 14.8% of the total population is uninsured.<sup>1</sup> Therefore, the State is proposing comprehensive reforms to both its commercial

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<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, available at: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

health insurance market and Medicaid program to reduce the number of uninsured Georgians and to help support Georgia Pathways participants to effectively transition from Medicaid to a commercial health insurance plan.

## Section 1.3: Demonstration Goals and Objectives

Georgia's goals for the Demonstration are to improve **access**, **affordability**, and **quality** of healthcare through strategies that:

- Improve the health of low-income Georgians by increasing their access to affordable healthcare coverage by encouraging work and other employment-related activities
- Reduce the number of uninsured Georgians
- Promote member transition to commercial health insurance
- Empower Georgia Pathways participants to become active participants and consumers of their healthcare
- Support member enrollment in employer-sponsored insurance by providing premium assistance for qualifying employer-sponsored health plans, if doing so is cost-effective for the State
- Increase the number of persons who become employed or engaged in employment-related activities
- Increase wage growth for those who are employed
- Support the long-term, fiscal sustainability of the Medicaid program

## Section 1.4: Hypothesis

The foundation of the Georgia Pathways to Coverage program is incentivizing and promoting employment and employment-related activities. Research shows the various positive effects of employment on an individual. Employed individuals are both physically and mentally healthier than those who are unemployed.<sup>2,3</sup> Work improves various measures of general health and well-being, such as self-esteem, self-rated health, and self-satisfaction.<sup>4,5</sup> Employed individuals are also more financially stable. The same effects are true for community service, as individuals who volunteer say that they feel better physically, mentally, and emotionally.<sup>6</sup> Volunteers report that they manage their stress better and feel a stronger connection to their communities. Most importantly, volunteerism can often lead to paid employment. These findings, and the strong connection between employment and engagement in employment-related activities to overall health, serve as the rationale for the Georgia Pathways to Coverage program.

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<sup>2</sup> McKee-Ryan, F.M., et al. Psychological and Physical Well-Being During Unemployment: A Meta-Analytic Study. (2005), *Journal of Applied Psychology* 90(1).

<sup>3</sup> Pinto, A.D., et al. Employment Interventions in Health Settings: A Systematic Review and Synthesis. (2018), *Annals of Family Medicine* (16)5.

<sup>4</sup> Waddell, G. and Burton, A.K. Is Work Good For Your Health And Well-Being? (2006), EurErg Centre for Health and Social Care Research, University of Huddersfield, UK

<sup>5</sup> Robert Wood Johnson Foundation. Work Matters for Health. (2008) Available at <http://www.commissiononhealth.org/PDF/0e8ca13d-6fb8-451d-bac8-7d15343aacff/Issue%20Brief%204%20Dec%2008%20-%20Work%20and%20Health.pdf>

<sup>6</sup> United Health Group. (2013) Doing good is good for you. 2013 Health and Volunteering Study. Available at <https://www.unitedhealthgroup.com/content/dam/UHG/PDF/2013/UNH-Health-Volunteering-Study.pdf>



In Georgia, 20.7% of individuals between the ages of 19 and 64 are uninsured, which is higher than the national average of 14.8%.<sup>7</sup> Additionally, 28.5% of Georgia’s adult population below 100% of the FPL is uninsured.<sup>8</sup> Of Georgia’s entire uninsured population over the age of 16, 60% of uninsured Georgians are employed at least part-time.<sup>9</sup> It is the intersection of these two populations – those who are working and uninsured, and those with incomes up to 100% of the FPL – that serve as the target population group for enrollment into Georgia Pathways. This includes individuals who will qualify at the start of the program and those who will become eligible through employment or other employment-related activities over time. Much of this population does not qualify for traditional Medicaid under Georgia’s current State Plan, and their incomes below 100% of the FPL make them ineligible to receive subsidies to purchase coverage on the Federally Facilitated Exchange. Thus, these low-income individuals are faced with limited options for healthcare coverage and often remain uninsured; this Demonstration provides a pathway to eligibility for healthcare coverage, specifically Medicaid, for this population.

The State realizes the benefit of providing affordable healthcare coverage to those involved in employment and other employment-related activities both for the individual and the community. Georgia is introducing this program to extend healthcare coverage to working, low-income Georgians and to promote employment and engagement in other employment-related activities across the State. Georgia Pathways seeks to test whether creating a new eligibility pathway will result in more working Georgians having healthcare coverage through the Medicaid program and whether more Georgians will seek employment or engage in other employment-related activities.

To track progress toward program goals, the State will contract with an independent evaluator to test and evaluate the Demonstration throughout the waiver period. Please see **Appendix A** for an outline of potential measures the State may use to evaluate its efforts. The State, working with its independent evaluator, will make future adjustments, subject to CMS approval. Based on CMS guidance, Georgia understands that it will be expected to provide an evaluation plan for CMS comment and approval within 180 days of this 1115 Demonstration waiver application.

## Section 1.5: Demonstration Geography and Time Frame

The Demonstration will operate statewide. The State seeks a five-year Demonstration approval period and intends to implement the Demonstration effective July 1, 2021.

## Section 1.6: Impact to Medicaid and CHIP

This Demonstration is part of the State’s larger initiative to empower Georgians to improve their health by increasing access to affordable healthcare coverage and encouraging employment and

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<sup>7</sup>U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, available at: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* The Census Bureau defines “employed” as those who either (1) were “at work,” that is, those who did any work at all during the reference week as paid employees, worked in their own business or profession, worked on their own farm, or worked 15 hours or more as unpaid workers on a family farm or in a family business; or (2) were “with a job but not at work,” that is, those who did not work during the reference week but had jobs or businesses from which they were temporarily absent due to illness, bad weather, industrial dispute, vacation, or other personal reasons. Excluded from the employed are people whose only activity consisted of work around the house or unpaid volunteer work for religious, charitable, and similar organizations; also excluded are all institutionalized people and people on active duty in the United States Armed Forces.

other employment-related activities. The reforms outlined in the following sections only apply to the new Georgia Pathways population. The reforms do not affect or modify any components of Georgia’s current Medicaid program.

## Section 2: Demonstration Eligibility

Georgia Pathways to Coverage will introduce a new eligibility pathway for working Georgians who would otherwise not be eligible for Medicaid coverage. In order to be eligible for coverage under Georgia Pathways, an individual must meet an hours and activities threshold of 80 hours per month of engagement in a qualifying activity (or combination of activities) such as employment, community service, or education, and have an income up to 100% of the FPL.

Georgia Pathways will align its policies and principles with those of the commercial health insurance market to provide Georgians with an experience similar to that of commercial health insurance. To advance the policies of the commercial health insurance market, Georgia Pathways will include prospective eligibility only and disallows hospital presumptive eligibility for this eligibility group.

### Section 2.1: Populations Eligible

The following table identifies populations whose eligibility will be affected by the Demonstration.

**Table 2.1: Eligible Populations**

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
Individuals who meet the Georgia Pathways requirements and are not otherwise eligible for Medicaid	N/A	0% – 100% of the FPL

### Section 2.2: Georgia Pathways to Coverage

#### Section 2.2.1: Eligibility

##### Population

The population eligible for Georgia Pathways includes parents, caretakers, or guardians with household incomes from 35% to 100% of the FPL who are not currently eligible for Medicaid and adults without dependent children with household incomes up to 100% of the FPL who are not currently eligible for Medicaid, as described in the previous table. Individuals must be between the ages of 19 and 64, must be a resident of Georgia and not incarcerated in a public institution, and must be a citizen of the United States or a documented, qualified alien.

## Eligibility Determination

To be determined eligible for Georgia Pathways, an individual must meet the required hours and activities threshold of 80 hours per month and meet the income eligibility requirement of a household income up to 100% of the FPL using the MAGI methodology. If both components are satisfied, the individual is determined eligible to enroll in Medicaid and must enter into a contractual agreement to the terms of the Georgia Pathways program including the associated premium and cost-sharing obligations. Individuals who do not meet the hours and activities threshold, and therefore are not eligible for coverage through Georgia Pathways, will be provided information regarding workforce development resources, such as those offered through the Georgia Department of Labor and those offered by commercial and non-profit entities, where they can gain information about employment or other employment-related activities to help them meet the hours and activities threshold of the waiver.

Eligibility in Georgia Pathways is prospective only. An individual must meet the activity requirements, pay their monthly premium, and select a plan or choose to be auto-assigned before they are enrolled in the Medicaid program. This enrollment will begin at the start of the month following the initial premium payment, if applicable, or the start of the month following enrollment for those who are not required to make a premium payment. Because eligibility in Georgia Pathways is prospective only and has specific activity requirements, there will be no prior quarter determination or hospital presumptive eligibility.

## Maintaining Eligibility

To maintain eligibility in Georgia Pathways, a member must continue to meet the hours and activities threshold of 80 hours per month, as well as the income eligibility requirement, and must timely pay required premiums, if applicable. As detailed in *Section 3.2*, individuals who are eligible for ESI must enroll in that insurance, if cost-effective for the State, to maintain Georgia Pathways eligibility. ESI-eligible individuals who decline to enroll in ESI will not be eligible for Georgia Pathways.

### Section 2.2.2: Qualifying Activities

Georgia will use a modified version of the Temporary Assistance for Needy Families (TANF) core activities to serve as the basis for allowable activities.<sup>10</sup> Georgia selected using TANF core activities as a basis because TANF is a long-standing program, employs federally accepted standards, and uses a “work-first” approach. Additionally, research studies highlight the positive effects of TANF on states, including a reduction in the number of single parent families living in

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<sup>10</sup> 45 CFR § 261.2

poverty,<sup>11</sup> an increase in the employment of single mothers,<sup>12</sup> a decline in the receipt of cash assistance,<sup>13</sup> and an increase in wages.<sup>14</sup>

The State will consider the below activities as acceptable for meeting the activities threshold. Georgia Pathways to Coverage requires a minimum of 80 hours per month of a qualifying activity or a combination of qualifying activities.

**Table 2.2.2: Activities and Definitions**

Activity	Definition
Unsubsidized employment	Full- or part-time employment in the public or private sector that is not subsidized by a public program.
Subsidized private sector employment	Employment in the private sector for which the employer receives a subsidy from public funds to offset some or all of the wages and costs of employing an individual.
Subsidized public sector employment	Employment in the public sector for which the employer receives a subsidy from public funds to offset some or all of the wages and costs of employing an individual.
On-the-job training	Training in the public or private sector that is given to a paid employee while he or she is engaged in productive work, and that provides knowledge and skills essential to the full and adequate performance of the job.
Job Readiness	Activities directly related to the preparation for employment, including life-skills training, resume building, and habilitation or rehabilitation activities. Rehabilitation activities must be determined to be necessary and documented by a qualified medical professional.  Members will be allowed to participate in job readiness for no more than a total of six weeks in any 12-month period.
Community Service	Structured programs and embedded activities in which the member performs work for the direct benefit of the community under the auspices of public or nonprofit organizations. Community service programs must be limited to projects that serve a useful community purpose in fields such as health, social service, environmental protection, education, urban and rural

<sup>11</sup> Ben-Shalom, Y. et al., An Assessment of the Effectiveness of Anti-Poverty Programs. (2011) Available at <https://www.nber.org/papers/w17042.pdf>

<sup>12</sup> American Enterprise Institute. TANF has been a success – Let’s make it better. (2015) Available at <http://www.aei.org/publication/tanf-has-been-a-success-lets-make-it-better/>

<sup>13</sup> Cancian, M. and Meyer, DR., Economic success among TANF participants: How we measure it matters. (2014) Available at <https://www.irp.wisc.edu/publications/focus/pdfs/foc232b.pdf>

<sup>14</sup> *Id.*

Activity	Definition
	<p>redevelopment, welfare, recreation, public facilities, public safety, and child care. A state agency shall take into account, to the extent possible, the prior training, experience, and skills of an individual in making appropriate community service assignments.</p>
<p>Vocational Educational Training</p>	<p>Organized educational programs that are directly related to the preparation of individuals for employment in current or emerging occupations. Course hour requirements for vocational educational training shall be determined by the Department of Community Health.</p> <p>Participation in vocational educational training is limited to 12 months in a member's lifetime, unless a member is enrolled in vocational education for a highly sought-after trade through the Technical College System of Georgia High Demand Career Initiative. In this instance, vocational educational training may count as a qualifying activity for the duration of the vocational education program.</p>
<p>Enrollment in an Institution of Higher Education<sup>15</sup></p>	<p>Enrolled in and earning course credit at a college, university, or other institution of higher learning. A full-time academic workload, as determined by the Department of Community Health, will meet the requirements for 80 hours of qualifying activities in the month. For individuals not enrolled full-time, the Department of Community Health shall determine the associated number of qualifying activity hours based on the course load when compared to full-time. The student's workload may include any combination of courses, work, research, or special studies that the institution considers contributing to the individual's full-time status.</p> <p>As the payor of last resort, students enrolled in an institution of higher education who have access to their parent's health insurance coverage are not eligible for Georgia Pathways coverage.</p>

Medicaid coverage extends to individuals who age out of the foster system. These former foster children are categorically eligible for Medicaid through the age of 26 and should not enroll under Georgia Pathways.

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<sup>15</sup> Enrollment in an institution of Higher Education is not a core TANF activity. This definition is modified from that found in the regulations for Institutional Eligibility under the Higher Education Act of 1965, codified at 34 CFR § 668.2.

## Section 2.2.3: Reporting and Compliance

### Reporting

To remain eligible for Medicaid coverage through Georgia Pathways, a member must report their hours monthly. Reporting of hours will include a member's self-attestation of activity hours, accompanied by supporting documentation such as a pay stub or a transcript. The State will allow submission of supporting documentation through multiple avenues including an online portal or in-person. Members who are self-employed can be verified by using income information and minimum wage data to estimate hours worked. The State will also employ periodic and random audits to verify documentation and compliance with the hours and activities threshold.

Members with evidence of meeting the hours and activities threshold for six consecutive months, based on income data from eligibility determination, will be exempt from the reporting requirement except that members will have an affirmative responsibility to inform the State if their employment status changes. The member will be re-evaluated for eligibility during the annual redetermination. Members who are exempt from the reporting requirement remain obligated to report changes to employment, including increases or decreases in hours. If, at any time, the State is made aware that a member's employment status changed during their current enrollment period, and the member does not report the change in employment status, the member is liable for all incurred capitation rate expenses paid on the member's behalf, as well as any cost-share expenses, if applicable.

### Compliance

The member must meet the hours and activities threshold each month. If a member does not meet the hours and activities threshold, they will be suspended from Medicaid and no longer able to receive the Medicaid benefit. The member has three months to meet the hours and activities threshold for Georgia Pathways for the suspension to be lifted. If the member does not meet the requirement after three months of suspension, then the member will be disenrolled from Medicaid. The individual can regain eligibility at any point after being suspended or disenrolled if they meet the hours and activities threshold, income eligibility requirement, and any premium obligations (if applicable) in a single month. The individual would be eligible for re-enrollment on the first of the month following the determination of eligibility, enrollment, and payment of premium, if required, and must maintain the hours and activities threshold to remain enrolled.

If a member pays a premium and they are suspended for the applicable month due to not meeting the hours and activities threshold, the member will receive a credit for the premium paid. This credit will be applied to future premiums once the individual is re-enrolled. If the individual does not regain eligibility, the State will reimburse the individual for the paid premium at the end of the plan year.

The State recognizes there are circumstances that temporarily limit or prevent a member from being able to participate in a qualifying activity or to meet the hours threshold. Therefore, a member, who has previously been satisfying the 80 hour per month activity threshold, will

receive a short-term exception for failure to meet the hours and activities threshold if any of the following events occurred:

- A family emergency or other life changing event
- Birth or death of a family member
- Serious illness or hospitalization of member or a member of their family
- Severe inclement weather including a natural disaster
- Temporary homelessness
- Other good cause reason as defined and approved by the State

## Section 2.3: Projected Enrollment

Projected enrollment in Georgia's Pathways to Coverage population is based on the total count of uninsured Georgians under 100% of the FPL and between the ages of 19 and 64 as reported by the U.S. Census Bureau via the American Community Survey five-year estimates.

**Table 2.3: Projected Enrollment by Demonstration Year (DY)**

Eligibility Group	Projected Enrollment by Eligibility Group				
	DY 1	DY 2	DY 3	DY 4	DY 5
Individuals who meet the Georgia Pathways requirements and are not otherwise eligible for Medicaid	25,028	47,362	48,782	50,490	52,509

## Section 2.4: Eligibility Policies

### Section 2.4.1: Coverage Effective Date

An individual with an income between 50% of the FPL and up to 100% of the FPL will have a Georgia Pathways coverage effective date on the first of the month after their premium is paid. An individual with an income below 50% of the FPL will have a coverage effective date on the first of the month following their eligibility determination.

### Section 2.4.2: Retroactive Coverage

To better align with commercial health insurance coverage, Georgia is requesting a waiver of the requirement to provide three months retroactive coverage to members enrolled through Georgia Pathways. Individuals will become eligible for coverage based on the policies outlined in *Section 2.4.1*.



### Section 2.4.3: Presumptive Eligibility

Georgia seeks to waive hospital presumptive eligibility. Eligibility in Georgia Pathways is prospective and has a specific hours and activities threshold requiring verification, which is not practicable for hospitals to evaluate.

## Section 3: Demonstration Benefits and Cost-Sharing Requirements

Georgia Pathways to Coverage will provide Georgians with an experience similar to commercial health insurance in order to better prepare them for their transition from Medicaid into a commercial health insurance plan. Building personal responsibility through financial contributions toward their health care will empower Georgia Pathways members to more actively engage in managing their own health and develop important skills needed for a smooth transition into commercial health insurance. These transitions are especially critical to maintain health outcomes that the members may achieve through Georgia Pathways and to avoid potential disruptions in insurance status as a member transitions out of Medicaid.

The State will maintain the State Plan benefits for the Georgia Pathways population, except for non-emergency medical transportation (NEMT). Members enrolled in ESI will have a different benefit package based on the insurance offered by their employer and will receive premium and cost-sharing assistance. Additional benefits such as vision and dental can be purchased through a Member Rewards Account that receives revenue from member contributions and state-funded incentives for healthy behaviors.

The State will also build upon its existing voluntary HIPPP program by paying the ESI premiums and cost-sharing for all Georgia Pathways members with access to health insurance if it is cost-effective for the State. This will strengthen the State's overall insurance market by maintaining individuals in their ESI rather than moving them to a Medicaid Care Management Organization (CMO). In addition, as previously discussed, it will support continuity of coverage for individuals whose incomes rise, and they become ineligible for Medicaid.

### Section 3.1: Benefit Package

The benefit package provided under Georgia Pathways will differ slightly from those benefits provided under the Medicaid State Plan. Georgia is seeking to provide a benefit package more consistent with commercial health plan benefits and is requesting a waiver of NEMT for the Georgia Pathways population. The State Plan benefits include Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services for enrollees ages 19 and 20.



**Table 3.1: Benefit Package by Eligibility Group**

Eligibility Group	Benefit Package
Individuals who meet the Georgia Pathways requirements and are not otherwise eligible for Medicaid	Georgia State Plan without NEMT
ESI Eligible Adults	Benefit package provided in the ESI plan Premium and Cost-Sharing Assistance

For members for whom the State is paying the cost of ESI, wraparound benefits (i.e., benefits that are not covered by that ESI plan) are not covered.

## Section 3.2: Employer Premium Assistance Program

Georgia currently operates a voluntary HIPP program under its State Plan. Georgia Pathways participants who have access to ESI may be eligible for HIPP if it is determined to be cost-effective for the State. Georgia's current HIPP program does not pay coinsurance or deductibles. An individual is currently eligible to apply for HIPP if the individual or a family member is eligible for Medicaid and the individual is eligible for ESI. Once an individual is determined eligible, Georgia's HIPP program begins reimbursing the monthly premium and associated cost-sharing.

Under Georgia Pathways, members with access to ESI must enroll in HIPP if it is cost-effective for the State. The State will ensure that the employer sponsored plan is cost-effective using a methodology that considers the amount paid under capitation versus what it would pay to cover the cost of premiums and associated cost-sharing.<sup>16</sup> HIPP enrollment, when determined cost-effective, will be a condition of Georgia Pathways eligibility. If a Georgia Pathways member disenrolls from ESI while it still is available and cost-effective, the member is no longer eligible for Medicaid through Georgia Pathways. If during a redetermination or based on other information reported to the State, an employer sponsored plan is no-longer cost-effective, the member will no longer be required to be enrolled in HIPP and can be enrolled in Medicaid through Georgia Pathways, assuming the member is still eligible.

As previously discussed, no wraparound benefits will be provided to Georgia Pathways members enrolled in HIPP.

## Section 3.3: Cost-Sharing

Another tool Georgia will use to support members in preparing for commercial health insurance is requiring financial contributions toward the costs of coverage. These funds will then be used to incent members to engage in healthy behaviors and access additional benefits. As detailed below, certain Georgia Pathways members will be assessed enforceable premiums, which will be

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<sup>16</sup> Georgia considers cost-effective for purposes of HIPP as a cost-savings to the State of at least \$1.00.

deposited into a Member Rewards Account. From this Account, members will be able to make required copayments as well as use funding to purchase qualified health-related services and goods.

### Section 3.3.1: Premiums

A segment of the population eligible for Georgia Pathways will be required to make sliding scale flat rate monthly premium payments tiered based on family income. The payment rates are affordable and calculated to not exceed 2% of household income across each income threshold payment band. Premiums paid will be deposited in the member's (or household's) Member Rewards Account.

#### Applicable Populations

Members who are required to pay premiums are:

- Adults without dependent children with incomes between 50% and up to 100% of the FPL who are not currently eligible for Medicaid and become eligible and enrolled through Georgia Pathways
- Parents with household incomes between 50% and up to 100% of the FPL who are not currently eligible for Medicaid and become eligible and enrolled through Georgia Pathways

Members who are exempt from premium requirements are:

- Members enrolled through Georgia Pathways who are under the mandatory HIPP program
- Members receiving coverage through Georgia Pathways who are enrolled in, and for two months after graduation from, vocational education programs of highly sought-after trades through the Technical College System of Georgia High Demand Career Initiative/HOPE Career Grant programs
- Members enrolled through Georgia Pathways with incomes below 50% of the FPL
- All other populations not enrolled in Georgia Pathways

#### Premium Amounts

Table 3.3.1 displays the sliding scale monthly premium amounts by income level. Members will pay a monthly premium tiered based on income.

**Table 3.3.1: Sliding Scale Premium Contribution Amounts**

Percent of the FPL	Monthly Single	Monthly Spouse	Tobacco Surcharge
50% – 84%	\$7.00	\$4.00	\$3.00
85% – 100%	\$11.00	\$7.00	\$5.00

If two spouses in the same household are enrolled in Georgia Pathways, the associated premium for the second enrolled spouse is discounted as detailed in Table 3.3.1.

In addition, the State will apply a premium surcharge for members who use tobacco. This will help evaluate whether providing a financial incentive to engage in activities that are known to improve a member's health will result in improved health outcomes. Only one tobacco surcharge will be applied per household. This surcharge is appealable for a member who disagrees that they are subject to the surcharge.

Georgia will notify individuals about the premium requirements upon eligibility determination, including the premium amounts required by income. Members will be sent monthly invoices for the premium amounts, which will include information about how to report changes in income and the consequences of nonpayment of premiums. If, at any time including at redetermination, the State is made aware that a member's income changed during their current enrollment period, the State will evaluate whether the member's premium contribution amount should be adjusted.

### **Penalties**

As in commercial health insurance, members are required to pay premiums to maintain eligibility for Georgia Pathways. Members who miss a premium will have a three-month period to retain their Georgia Pathways eligibility without being disenrolled, as detailed below.

If a member misses a month's premium, that member enters a one-month grace period in which the member retains eligibility, claims are paid, and the CMO capitation payment for the member is made.

If the member misses a second month's premium, that member is placed in a suspended status in which claims may be pended, but the CMO capitation payment is still made. If the member pays their missed premium within this month, the member's enrollment suspension is lifted at the point of payment, retroactive to the date of suspension, and claims will be paid back to that date.

If the member misses a third month's premium, that member remains in a suspended status during the month. If the member pays their missed premium within this month, the member's enrollment suspension is lifted at the point of payment, retroactive to date of suspension, and claims will be paid back to that date. If the member does not pay the missed premium, the member will be disenrolled at the end of the month.

While the State will make CMO capitation payments during the periods while the member is suspended, if the member is disenrolled at the end of the third month, the State may seek to recoup the capitation payments from the months during which the member was suspended.

### **Section 3.3.2: Copayments**

The same populations subject to premiums will also be required to pay copayments for certain services. These copayments, when combined with other household copayments, will not exceed 3% of the household's income. Copayments and premiums together will not exceed 5% of household income (as evaluated quarterly).

Copayments under Georgia Pathways will not be assessed at the point of service and will not be collected by providers. Instead, copayments will be assessed retrospectively for services already received. The State will use encounter data to determine the applicable copayments for the services the member received over a prior period.

If there are sufficient funds in the member's Member Rewards Account to pay for the required copayment, that amount will be transferred from the Member Rewards Account to the State with the appropriate federal share returned to the federal government as a program offset. If there are not sufficient funds in the member's Member Rewards Account, copayments will still be deducted from the Member Rewards Account, resulting in a negative balance. Any future premium payments or healthy incentive points will be applied to the balance.

Members will be sent monthly invoices for the copayment amounts which will include information about the amount owed, the amount paid out of the member's Member Rewards Account, and how to report changes in income. If, at any time including at redetermination, the State is made aware that a member's income has changed during their current enrollment period, the State will evaluate whether the member is still required to make copayments.

### **Applicable Populations**

Members who will be required to pay a copayment are:

- Adults without dependent children with incomes between 50% and up to 100% of the FPL who are not currently eligible for Medicaid and become eligible and enrolled through Georgia Pathways
- Parents with household incomes between 50% and up to 100% of the FPL who are not currently eligible for Medicaid and become eligible and enrolled through Georgia Pathways

### **Copayment Amounts**

Table 3.3.2 outlines the services for which mandatory copayments will be assessed and the copayment amounts. This mirrors the existing copayment structure under the State Plan, except for the addition of a copayment for non-emergency use of the emergency department.

**Table 3.3.2: Copayment for Services**

<b>Service</b>	<b>Copay</b>
<b>Inpatient hospitalization</b>	\$12.50 for entire stay
<b>Outpatient hospital visit</b>	\$3.00 per visit
<b>Non-emergency use of the emergency department</b>	\$30.00 per visit
<b>Primary care</b>	\$0.00
<b>Specialist</b>	\$2.00

Service	Copay
<b>Durable medical equipment (DME)</b>	\$3.00 \$1.00 for rentals and supplies
<b>Pharmacy – Copayment varies based on the cost to the State</b>	\$10.00 or less: \$0.50 \$10.01 to \$25.00: \$1.00 \$25.01 to \$50.00: \$2.00 \$50.01 or more: \$3.00

### Section 3.3.3: Member Rewards Account

The Member Rewards Account is a tool to support members in managing their own health and to incent healthy behaviors. Funds in the account will be available to pay copayments as well as to pay for services not covered by Medicaid that will support the member's health goals. Through the Account, the State will provide incentives for members to engage in healthy behaviors and activities that support health outcomes.

#### Applicable Populations

Groups for whom the State will maintain a Member Rewards Account:

- Adults without dependent children with incomes between 50% and up to 100% of the FPL who are not currently eligible for Medicaid and become eligible and enrolled through Georgia Pathways
- Parents with household incomes between 50% and up to 100% of the FPL who are not currently eligible for Medicaid and become eligible and enrolled through Georgia Pathways

For households with two enrolled spouses, the spouses will share an account that will receive premium revenue from both spouses and pay required copayments for both.

#### Account Revenue and Uses

##### *Account Revenue*

Member premiums will be deposited into the Member Rewards Account.

In addition, the State will set a series of criteria for awarding points, which will translate to dollars upon use. Criteria may include, but not be limited to:

- Being a non-smoker or quitting smoking
- Completing annual well care visits
- Complying with diabetes programs
- Maintaining a body mass index (BMI) between 18.5 and 24.9

### *Account Uses*

#### Copayment Costs

If the member has value in their Member Rewards Account, the cost of copayments will be assessed from the Account. If there are not sufficient funds in the account, copayments will still be deducted from the Member Rewards Account, resulting in a negative balance. Any future premium payments or healthy incentive points will be applied to the balance.

#### Health-Related Expenses

If the balance of the Account exceeds \$200/points, members may use the Member Rewards Account for other medical expenses not covered by Medicaid. Permissible expenses include over the counter drugs, dental services, glasses, contacts, and other state-determined allowable expenses.

#### Post-Medicaid Expenses

If a member's income exceeds 100% of the FPL and they leave Medicaid and gains commercial health insurance coverage, the remaining member contributions in the Member Rewards Account will be made accessible to the member for future health related expenses.

#### **Penalties**

Members will be sent a monthly invoice for their required copayment amounts. If money is available in the Member Rewards Account, those funds will be used to cover the costs of the copayments. If there are not sufficient funds in the account, copayments will still be deducted from the Member Rewards Account, resulting in a negative balance. Any future premium payments or healthy incentive points will be applied to the balance.

## Section 4: Delivery System and Payment Rates for Services

### Section 4.1: Managed Care Delivery System

The State will use a managed care delivery system to provide services to the Georgia Pathways population. The State currently contracts with four CMOs, which were selected through a competitive procurement process. The State last procured these contracts in 2017 and intends to amend its existing contracts with its CMOs to implement the provisions of this 1115 Demonstration waiver. The State will not use fee-for-service payments for any covered services.

The State will continually monitor geo-access to confirm the CMOs have enough providers to facilitate access for the Georgia Pathways population.

### Section 4.2: Health Plan Choice

The State will ensure the Georgia Pathways population has choice of CMOs consistent with Medicaid requirements. Individuals will be able to select one of the CMOs upon application and

will be prospectively enrolled into that plan. The individual will also be able to elect to be auto-assigned into a CMO prospectively using existing algorithms applicable to the current Medicaid program.

Members will have 90 days to switch plans. If a member does not make a different choice within the 90-day period, the member will remain with the selected/assigned CMO until the member's annual choice period.

### Section 4.3: Capitated Payments

The capitation rate-setting methodology for Georgia Pathways will be the same methodology used to set rates for the current Medicaid populations and will comply with all federal rate-setting requirements and guidance.

## Section 5: Implementation of Demonstration

Georgia intends to begin enrollment in the Georgia Pathways to Coverage eligibility category on July 1, 2021. The cost-sharing, Member Rewards Account, and mandatory HIPP components of the waiver will also begin July 1, 2021. Prior to July 1, 2021 Georgia will complete necessary changes to its existing systems, including the State's eligibility system and Medicaid Management Information System (MMIS), to support the implementation of Georgia Pathways. Georgia is determining whether a separate procurement is needed for a vendor for the Member Rewards Account component.

The State will also make changes to existing business processes or create new business processes to support Georgia Pathways and will complete the staff education and training on those processes with sufficient time for the July 1, 2021 implementation date.

### Section 5.1: Notification and Enrollment

Georgia will begin its outreach and communication activities on April 1, 2021. Stakeholder forums and webinars will be conducted across the State beginning April 1, 2021 explaining the Georgia Pathways program and providing information on the eligibility requirements and how individuals can apply for Medicaid through Georgia Pathways. Written descriptions of the Georgia Pathways program requirements will also be disseminated beginning in April 2021 to stakeholder groups across the State. Information about Georgia Pathways will be provided on the Georgia Gateway website (the State's eligibility system).

Individuals seeking to enroll in Georgia Pathways will use existing Medicaid eligibility determination channels and processes.

### Section 5.2: Managed Care

Georgia will continue to use its CMOs to provide benefits to the Georgia population. The State conducted its last procurement in 2017 and can amend the existing contracts to include the new Georgia Pathways eligibility group. The State does not need to conduct a procurement action to implement the provisions of this waiver.



## Section 6: Demonstration Financing and Budget Neutrality

Please refer to **Appendix B** for the Budget Neutrality With Waiver (WW) and Without Waiver (WOW) exhibits. As discussed below, the State is requesting the Georgia Pathways population be considered “hypothetical”; therefore, a simplified single exhibit is provided.

### Overview

The Georgia Pathways Demonstration provides a new pathway to healthcare coverage for low-income Georgians up to 100% of the FPL who are not otherwise eligible for Medicaid coverage. The State is requesting a Demonstration implementation date of July 1, 2021, which aligns with the current managed care program rate period.

The population that will enroll under this Demonstration is not currently Medicaid-eligible; therefore, no actual historical data is available for this population to support Budget Neutrality projections. Therefore, a comparable population was used as a basis for base expenditure per enrollee development. The data used, and adjustments applied to align the costs with the population anticipated to enroll under this Demonstration, are described in the following Expenditure section.

For purposes of this Budget Neutrality calculation, the State is requesting the expenditures under this Demonstration to be considered “hypothetical.” Per the August 22, 2018 State Medicaid Director’s Letter (SMD #18-009):

“In cases where expenditure authority is provided for coverage of populations or services that the state could have otherwise provided through its Medicaid state plan or other title XIX authority, such as a waiver under section 1915 of the Act, CMS considers these expenditures to be “hypothetical;” that is, the expenditures would have been eligible to receive FFP elsewhere in the Medicaid program. For these hypothetical expenditures, CMS currently makes adjustments to the budget neutrality test which effectively treats these expenditures as if they were approved Medicaid state plan services.”

### Enrollment

Table 6.0(a) summarizes enrollment estimates for the Georgia Pathways population. The population figures reflected are the average assumed enrollment for each DY. Enrollment reflects the State’s estimates for both those enrolling in CMOs and individuals enrolling in the mandatory HIPP program.

The base eligible population is the total count of uninsured Georgians up to 100% of the FPL and between the ages of 19 and 64 as reported by the U.S. Census Bureau via the American Community Survey five-year estimates.

Enrollment estimates for DY 1 were phased-in equally over 12 months with the expectation that all initial program phase-in would be captured by the end of DY 1 with an estimated enrolled Georgia Pathways population of 46,206 individuals. After the initial phase-in during DY 1, all



enrollment growth from DY 2 through DY 5 would be attributable to increases in the number of individuals completing qualifying activities. This growth assumption starts at 2.5% in DY 2 and increases by 0.5% increments to 4% by DY 5.

The average number of months per member for our hypothetical population was assumed to be the same as the number of months per member for our comparable Georgia Families population. Review of the Georgia Medicaid data supported the development of a 10 month/member average. Due to initial DY 1 phase-in, the assumed member months per member is set to 12.

**Table: 6.0(a): Estimated Enrollment**

	DY 1	DY 2	DY 3	DY 4	DY 5
Estimated Enrollment	25,028	47,362	48,782	50,490	52,509
Estimated Member Months	300,342	473,616	487,824	504,898	525,094

### Expenditures Per Member Per Month

As previously discussed, no historical expenditure data for the target population to be covered by this Demonstration is available. The 21 to 64-year-old members in the State's Georgia Families managed care program were identified as the best available comparable population to formulate the base cost for the Georgia Pathways population. The Calendar Year (CY) 2017 Medicaid encounter and eligibility data for this comparable population was used to prepare the per member per month (PMPM) expenditure baseline estimates as a proxy for the Georgia Pathways population, as the runout for CY 2017 was more complete than that for CY 2018. Adjustments to the baseline PMPMs were required to account for costs not captured in the base expenditure data. The impact of these adjustments is shown in Table 6.0(b) and described in further detail below.

**Table 6.0(b): Estimated Expenditure PMPMs**

Demonstration Year	Historical Expenditure PMPM	Population Shift Adjustment	Growth Factor	Acuity Adjustment	Pent-up Demand	Non-Benefit Expenses	Health Insurer Fee (HIF)	Retroactive Coverage	Estimated Expenditure PMPM
DY 1	\$366.45	1.0296	1.2191	.9430	1.0563	1.1228	1.0266	.978	\$516.49
DY 2	\$366.45	1.0296	1.2739	.9430	1.0392	1.1228	1.0266	.978	\$530.97
DY 3	\$366.45	1.0296	1.3312	.9430	1.0000	1.1228	1.0266	.978	\$533.92
DY 4	\$366.45	1.0296	1.3911	.9430	1.0000	1.1228	1.0266	.978	\$557.95
DY 5	\$366.45	1.0296	1.4537	.9430	1.0000	1.1228	1.0266	.978	\$583.05

### Population Shift Adjustment

Adjustments to the baseline PMPMs were required to account for differences in member distribution for the Georgia Pathways population relative to the comparable population. The State evaluated the enrollment distribution of the new adult group from other states to reweight the expected enrollment distribution of Georgia's comparable population for factors such as age and gender.

### Growth Factor

The comparable population was the best available source of expenditure and enrollment data to develop the expenditure PMPM baseline. However, the historical experience is not a directly appropriate benchmark for the development of the underlying expenditure trends, which are applied to develop the estimated expenditure PMPMs in each demonstration year.

Based on an analysis of the historical data available for the comparable population, programmatic changes and other market forces that are present in the historical timeframe from CYs 2014 through 2016 drove significant volatility in raw annual PMPM trends. Further, trends developed by the State's actuary to set the Georgia Families program's actuarially sound capitation rates for the comparable population are significantly different than those raw observed annual trends, highlighting the disconnect between the data and reasonable trend factors. Finally, as observed in other states where new adult groups have gained Medicaid coverage in recent years, the cost profiles can shift dramatically year over year causing an accurate assessment of underlying medical trends to be challenging and/or unreliable.

Based on Georgia specific analyses, projected trends in the approved CY 2018 Georgia Families Rate Certification, experience observed in other states, and review of the President's trend, the State is applying a 4.5% annual trend rate to develop the growth factors. The growth factor is developed by compounding  $1 +$  the annual trend rate from the midpoint of the experience period (July 1, 2017 to the midpoint of the demonstration year (e.g., January 1, 2022 for DY 1)).

### Acuity Adjustment

Given evidence that employed persons are generally healthier than unemployed persons of comparable age, it is assumed that the enrolled Georgia Pathways population will be healthier than the comparable population used as the basis for the expenditure PMPMs. Adjustments to account for relative improvement in morbidity were applied to account for the higher incomes of the enrolled population as well as the expectation that the majority of individuals meeting required qualifying activities will be working 80 or more hours per month.

### Pent-up Demand

The enrolled Georgia Pathways population will be comprised of low-income individuals who have been uninsured for an uncertain period of time. Based on experience observed in other states, an assumption to account for the increased cost experienced for an individual gaining access to new benefits has been applied. The application of this adjustment is specific to the start of the period in which a new member enrolls in the program and accounts for the initial program

phase-in. Pent-up demand for individuals enrolling after the first demonstration year are expected to be minimal, so no further adjustment was applied.

#### Non-Benefit Expenses

The actuarially sound capitation rate that will be developed for the Georgia Pathways population will need to include considerations for administrative expenses, risk margin, and premium based taxes. The assumption applied for non-benefit expenses is based on the comparable population non-benefit expense loads in the approved state fiscal year (SFY) 2018 Georgia Families Rate Certification.

#### Health Insurer Fee

If the moratorium on the health insurer fee (HIF) is not extended, the actuarially sound capitation rate that will be developed for the Georgia Pathways population will need to include an adjustment for this fee. Because the moratorium has not been extended, an adjustment was included. The assumption applied for the HIF is based on the average HIF in CY 2017 and CY 2019.

#### Retroactive Coverage

The State is requesting to eliminate the three-month retroactive coverage for the Georgia Pathways population. The expected reduction in costs was estimated to reduce expenditure PMPMs by approximately 2.2%.

#### Premiums and Copays

No adjustment was made for premiums and copays because the funding is either a programmatic offset or the funds may be transferred to the member upon leaving the Georgia Pathways program.

## Section 7: List of Proposed Waivers and Expenditure Authorities

### Section 7.1: Title XIX Waivers

Below is a list of proposed waivers necessary to implement Georgia's 1115 Demonstration:

- **Reasonable Promptness: Section 1902(a)(3)/Section 1902(a)(8)**
  - To the extent necessary to enable Georgia to begin Medicaid coverage on the first day of the month following an individual's determination of eligibility.
  - To the extent necessary to enable Georgia to begin Medicaid coverage on the first day of the month following an individual's first premium payment.
- **Methods of Administration: Section 1902(a)(4) insofar as it incorporates 42 CFR 431.53**
  - To the extent necessary to enable Georgia to waive NEMT services.
- **Provision of Medical Assistance: Section 1902(a)(8)**

- To the extent necessary to enable Georgia to discontinue eligibility for, and not make medical assistance available to, members who fail to comply with the hours and activities threshold under Georgia Pathways.
- **Eligibility: Section 1902(a)(10)(A)**
  - To the extent necessary to enable Georgia to delay coverage until the first day of the month following an individual's determination of eligibility.
  - To the extent necessary to enable Georgia to delay coverage until the first day of the month following an individual's first premium payment.
- **Comparability of Eligibility Requirements: Section 1902(a)(10)(A)(i)(VIII) and 1902(a)(17)**
  - To the extent necessary to enable Georgia to require an hours and activities requirement as a condition to maintain eligibility.
- **Amount, Duration, Scope, and Comparability - Section 1902(a)(10)(B)**
  - To the extent necessary to enable Georgia to allow individuals to receive the benefits provided through an ESI plan, without wrap-around benefits.
- **Cost-Sharing: Section 1902(a)(14) insofar as it incorporates Section 1916 and 1916A**
  - To the extent necessary to enable Georgia to charge monthly premiums and higher co-pays.
- **Freedom of Choice: Section 1902(a)(23)**
  - To the extent necessary to enable Georgia to restrict the freedom of choice of providers for Demonstration eligibility groups.
- **Retroactive Eligibility: Section 1902(a)(34)**
  - To the extent necessary to enable Georgia to begin eligibility the month following determination of eligibility and payment of any required premium.
- **Prepayment Review: Section 1902(a)(37)(B)**
  - To the extent necessary to enable Georgia to ensure that prepayment review be available for disbursements by members to their providers through the Member Rewards Account.
- **Vision and Dental Coverage: Section 1902(a)(43)**
  - To the extent necessary to enable Georgia not to cover certain vision and dental services described in sections 1905(r)(2) and 1905(r)(3) of the Act for 19- and 20-year-old members.
- **133 Percent Income Level: Section 1902(a)(10)(A)(i)(VIII)**
  - To the extent necessary to enable Georgia to implement a lower income level for the Demonstration group.

Georgia is requesting a waiver of the income level specified in Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, which will permit the State to implement an income level of 95% of the FPL, rather than 133% of the FPL, for the Demonstration group. This will allow the State to receive the full enhanced Federal Medical Assistance Percentage (FMAP) allowable under 42 U.S.C. Section 1396d(y).

## Section 7.2: Costs Not Otherwise Matchable Authority

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for the items identified below (which would not otherwise be included as matchable expenditures under section 1903) shall, for the period of the Demonstration be regarded as matchable expenditures under the State's Medicaid Title XIX State Plan. The expenditure authorities listed below promote the objectives of Title XIX.

### 1. **Demonstration Population I.**

- Expenditures to provide health services to non-disabled and non-elderly individuals age 19 through 64 with incomes above the Medicaid standard but at or below 100% of the FPL who are not otherwise eligible for Medicaid.
- Expenditures for premium assistance and associated cost-sharing to subsidize the employee's share of the costs of the insurance premium for employer sponsored health insurance to non-disabled and non-elderly low-income workers age 19 through 64 with incomes above the Medicaid standard but at or below 100% of the FPL who are not otherwise eligible for Medicaid as well as their spouses and their children, age 19 through 26, who are enrolled in their parents' ESI plan, who are not otherwise eligible for Medicaid.

## Section 8: Public Notice and Comment

Georgia used multiple mechanisms to notify the public about the Demonstration waiver application and provided ample opportunity for the public to provide feedback both via oral testimony and written comment. The Department's public notice and public comment procedures are informed by, and comply with, the requirements specified at 42 CFR § 431.408.

### Section 8.1: Public Notice

On November 4, 2019, Governor Brian P. Kemp publicly announced the Georgia Pathways to Coverage 1115 Demonstration waiver application. The Department of Community Health held a Board of Directors meeting on the same day to adopt the public notice and officially open the 30-day public comment period, as part of the State's administrative process. The public comment period began November 4, 2019 and closed on December 3, 2019. The Board meeting was open to the public. Interested parties were notified of the Board meeting via e-mail, and the meeting agenda was posted to the Department's website one week in advance of the meeting. A copy of the presentation given to the Board is included as **Appendix C** of this waiver application.

The Department posted the public notice, including a comprehensive description of the application as well as the locations of the public hearings, on a dedicated webpage on the Department of Community Health's website, <https://medicaid.georgia.gov/patientsfirst>, on November 4, 2019. The notice was shared via social media, including Facebook and Twitter, and it was posted on the Department's main webpage, <https://medicaid.georgia.gov/>. Electronic copies of the waiver application and all presentations related to Georgia Pathways were available

on the Department's dedicated webpage throughout the comment period. The public notice provides instruction for any individual to submit written feedback to the State via an electronic intake portal on the Department's dedicated webpage or by USPS mail. The public notice was also sent to the Division of Family and Children Services' central office for distribution to all 159 individual county offices. A full copy of the public notice and the abbreviated public notice are included as **Appendix D** of this waiver application.

At the onset of waiver development, the Department convened a group of stakeholders to engage during the process when considering changes to the Medicaid program to increase access across the State, lower the cost of healthcare for working Georgians, and improve quality of care. The Department emailed a broad range of interested parties/stakeholders about the public notice and waiver application. The Department assembled the stakeholder group on November 4, 2019 to provide an overview of the Demonstration waiver. This meeting was open to the public. A list of stakeholders notified about this meeting is included as **Appendix E**, and a copy of the stakeholder presentation is included as **Appendix F** of this waiver application.

In addition to the stakeholder meeting, the Demonstration was presented to a public legislative committee hearing, the Joint House and Senate Health and Human Services Committee, on November 5, 2019. This legislative hearing was open to the public and was livestreamed online, and a copy of the hearing is available for viewing at <https://medicaid.georgia.gov/patientsfirst>.

## Section 8.2: Public Hearings

While federal regulations only require two public hearings, the State held six formal public hearings in geographically distinct areas of the State during the public comment period. These hearings took place as follows:

- **Savannah, Georgia**  
Thursday, November 7, 2019, 9:00 a.m. EST  
Hoskins Center for Biomedical Research, Mercer Auditorium  
1250 East 66<sup>th</sup> Street, Savannah, Georgia 31404
- **Macon, Georgia**  
Wednesday, November 13, 2019, 9:00 a.m. EST  
Mercer University School of Medicine, Auditorium  
1550 College Street, Macon, Georgia 31207
- **Bainbridge, Georgia**  
Thursday, November 14, 2019, 9:00 a.m. EST  
Southern Regional Technical College  
The Charles H. Kirbo Regional Center, Dining Room 112  
2500 East Shotwell Street, Bainbridge, Georgia 39819
- **Gainesville, Georgia**  
Monday, November 18, 2019, 9:00 a.m. EST  
Gainesville Civic Center, Chattahoochee Room  
830 Green Street, Gainesville, Georgia 30501

- **Rome, Georgia**  
Thursday, November 21, 2019, 9:00 a.m. EST  
West-Rome Baptist Church, The Well Building  
914 Shorter Avenue, Rome, Georgia 30165
- **Kennesaw, Georgia**  
Friday, November 22, 2019, 10:00 a.m. EST  
North Cobb Regional Library, Multi-purpose Room  
3535 Old 41 HWY, Kennesaw, Georgia 30144

Each of the six public hearings followed the same format, beginning with an overview of the Georgia Pathways waiver proposal, followed by the collection of oral public comment. A court reporter transcribed and entered into the public record all verbal comments presented during each of the public hearings. The transcripts from each of the public hearings are available on a dedicated webpage on the Department of Community Health's website, <https://medicaid.georgia.gov/patientsfirst>. A sign language interpreter was available at all the hearings for the individuals present, and individuals requiring special accommodations, including auxiliary communicative aids and services during these meetings could request such accommodations in advance of the meeting. The hearing presentation is included as **Appendix G**. A brief overview of the hearings is provided here. Additional information regarding the totality of comments received and the State's response to those comments is outlined in *Section 8.3*.

### **Summary of Public Hearings**

A total of 126 individuals attended the six hearings the Department hosted across the State. Forty-two individuals gave oral testimony. Speakers spoke on behalf of themselves as Georgia residents and the following organizations: Step Up Savannah, Georgia Legal Services, Georgia Council on Substance Abuse, Georgians for a Healthy Future, Middle Georgia Medical Society, J's Place Recovery, Georgia Primary Care Association, Northeast Georgia Health System, National Multiple Sclerosis Society, Georgia Interfaith Public Policy Center, Mercy Care, Georgia Mountains Health Services, Georgians for a Healthy Future, Planned Parenthood Southeast, Community Catalyst, Georgia Society of Clinical Oncology, Georgia Budget and Policy Institute, Georgia Advocacy Office, NAMI, New Georgia Project, Recovery Bartow, and American Lung Association.

## **Section 8.3: Public Comments**

Following the public comment period, all written and oral comments were cataloged, summarized, and organized. In total, the State received 869 public comments during the public comment period, including 827 written comments, and 42 oral testimonies across the six public hearings. The State reviewed all comments and appreciates the public input received from Georgia residents and interested organizations. The State summarized comments and provided

responses below, including an indication of any modifications that have been made to the waiver application as a result of the public comments.

The following summary combines the testimony offered at the public hearings as well as the comments received by the State through the comment portal and via USPS mail. The Department gave all comments received through the various mechanisms the same consideration. To address public input, comments are summarized by topic and are followed by a response. A complete collection of all public comments submitted is available on a dedicated webpage on the Department of Community Health's website, <https://medicaid.georgia.gov/patientsfirst>.

A number of commenters addressed multiple provisions in the waiver application. Additionally, there were several comments that were either fully in support of or in opposition to the proposed waiver. The majority of comments received were robust and touched on a broad range of topics that generally aligned with the following categories:

- Program Goals
- Eligibility Criteria
- Benefits
- Premiums and Copayments
- Other

### **Program Goals:**

Summary of Comments: Some commenters encouraged the State to fully expand Medicaid up to 138% of the FPL. They referenced a financial benefit accompanying a full expansion; specifically, the enhanced federal match and increased dollars that would come to the State. Some commenters highlighted the increased number of Georgians that would be covered if the State chose to fully expand Medicaid. Others highlighted populations that experience challenges with accessing care, particularly those who are homeless or who live in rural areas and suggested a full expansion to 138% of the FPL as a solution.

State Response: The authorizing legislation, *Patients First Act*, codified at OCGA §49-4-142.3 authorizes the Department of Community Health to file an 1115 waiver for new populations up to 100% of the FPL. The legislation does not permit an expansion to newly eligible populations up to 138% of the FPL, and thus the State does not have the authority to request an increase in coverage beyond 100% of the FPL. Additionally, individuals above 100% of the FPL have the option to purchase insurance off the individual market, and depending on the individual's income, may be eligible for subsidies. The State is seeking 90% enhanced funding match for its waiver.

### **Eligibility Criteria:**

Summary of Comments: Some commenters raised concerns over the work and other employment-related pathway activities, noting the complex nature of economic mobility and access to healthcare. Some suggested the program is designed to limit participation and expressed concerns that too few eligible individuals who would gain coverage under Georgia Pathways and therefore would not significantly impact rural populations and rural hospitals.



Others noted that this program will disproportionately impact certain minority population groups. Some commenters noted the program may pose challenges to seasonal workers, those who are homeless, or those recently released from prison. Others raised concerns about the legality of the Pathways approach.

Some commenters asked the State to consider allowing individuals enrolled in education part-time to be considered eligible for Georgia Pathways as long as they meet the total hours and activities threshold. Specifically, commenters asked the State to consider the eligibility of individuals who attend school part-time and work part-time.

Some commenters asked the State to consider an exemption for caretakers or consider it a qualifying activity, while others asked the State to consider an exemption for individuals with medical conditions that may preclude them from working or maintaining regular hours of employment, such as a chronic condition, serious mental illness, or substance use disorder. Others raised concerns over individuals who, while on Medicaid, may be diagnosed with an illness requiring treatment which may prevent them from meeting the hours and activities threshold and disrupt the continuity of care for individuals who need it while undergoing treatment for an illness. Some expressed concerns regarding continuity of care and continued access to needed medications more generally if members do not maintain coverage. Others requested an exemption for individuals who were undergoing the disability determination process, asserting that such individuals may not be able to work and should still be eligible for Medicaid under Georgia Pathways.

There were other commenters who expressed full support and applauded the State for designing a program that coupled healthcare coverage with work and other employment-related activities.

State Response: The purpose of the waiver is to provide a pathway to coverage for low-income Georgians who meet the qualifying activities threshold and would not otherwise have access to Medicaid and whose income falls below the eligibility threshold for subsidies in the federal marketplace. Importantly, the State is not seeking to limit participation in Georgia Pathways. Rather, Georgia Pathways provides a new avenue for this otherwise ineligible population to enroll in Medicaid. As such, the goal of this waiver is to increase, and not decrease, access to Medicaid in both urban and rural areas. This waiver is designed to improve access, affordability, and quality of healthcare through strategies that help individuals rise out of poverty and attain independence while also providing them with a new pathway to enrollment in Medicaid.

To meet the waiver's goals and to lessen administrative burden, the State chose to follow the current TANF core activity requirements,<sup>17</sup> with some modifications. The State is not seeking to include additional qualifying activities beyond those proposed in the waiver. Although the State is not providing categorical exemptions from the hours and activities threshold for any population, the State recognizes that there may be circumstances that temporarily limit or prevent a member from being able to participate in a qualifying activity or to meet the hours threshold. Therefore, the proposed waiver includes short-term, good cause exceptions for members who have previously qualified under the Georgia Pathways approach for Medicaid coverage and then

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<sup>17</sup> 45 CFR § 261.2

experience an unexpected life event such as a serious illness or hospitalization, birth or death in the family, or a family emergency.

The State appreciates the comments received regarding part-time enrollment in institutions of higher education and has modified the higher education qualifying activity to include part-time enrollment, which can be matched with other qualifying activities to satisfy the requirement.

For those with a mental illness or substance use disorder, the State will continue to provide mental health and substance abuse services through existing state-based safety net programs and services. Individuals in need of such services will have continued access to them and will also be eligible to participate in a Pathways activity, either concurrent with or after completion of mental health or substance abuse services, in order to gain enrollment in Medicaid.

The State is not creating an exemption for persons who have applied for a disability determination because at the time of application it is not known if the applicant will, in fact, be determined to be disabled as defined by existing disability determination criteria. If the individual is ultimately determined to be disabled, as defined by existing disability determination criteria, at that time that individual will qualify to be enrolled in the traditional Medicaid program. While the application for disability determination is pending, the applicant would be eligible for Medicaid by meeting the Pathways requirements, including participating in education, training, and/or community service activities.

### **Benefits:**

Summary of Comments: Some commenters raised concerns over waiving NEMT, citing transportation challenges in many rural parts of the State and that it may be a barrier to members seeking necessary care. Other commenters asked the State to reconsider its waiver of retroactive eligibility and hospital presumptive eligibility.

Some commenters asked the State to consider the addition of benefits such as medically tailored meals, more robust post-operative services, or the diabetes prevention program for this population. Others noted that social determinants of health must be addressed before individuals can become employed.

Other commenters raised concerns over the mandatory HIPP program. Specifically, some of these commenters noted that without wraparound services, an employer sponsored plan may not include as robust a benefit package as Medicaid, and this may limit the services available to the member. Other commenters were concerned about the financial burden of the ESI cost-sharing obligations, including copayments and premiums.

State Response: NEMT, retroactive eligibility, and hospital presumptive eligibility are not available to the majority of the Georgia population as part of their health insurance coverage. NEMT is also not a covered benefit for the Children's Health Insurance Program (CHIP) under the State Plan, although CMOs may elect to offer NEMT services as a value-added benefit. As such, the State constructed benefits under this new coverage pathway to be as similar as possible to the benefits the majority of the Georgia population receives under their health insurance coverage, which generally does not include NEMT.

The concept of retroactive eligibility is not consistent with the program design for Georgia Pathways, as member coverage under Georgia Pathways does not begin until the first of the month following eligibility determination and following premium payment, if applicable. Moreover, a hospital presumptive eligibility determination would require the hospital to verify compliance with the hours and activities threshold, which most, if not all, hospitals do not have the capacity to do. Hence, for both policy and operational reasons, the State has requested to waive retroactive and presumptive eligibility in this waiver request.

The benefits offered under Georgia Pathways will be those offered under the current State Plan, except for NEMT services and wraparound benefits for those enrolled in HIPP. The State is not proposing to add any additional benefits to the State Plan. Regarding the social determinants of health, CMOs have the ability to offer additional services to address social determinants of health as value-added benefits.

The mandatory HIPP program provides financial assistance to allow members access to their employer's sponsored plan. The financial assistance provided supports copayments and deductibles, so members should not experience any financial burden beyond what they would pay under Georgia Pathways. Regarding benefit differences, while the State understands that there may be differences in benefit offerings between the State Plan and an employer sponsored plan, it is not the State's intention to extend the Medicaid benefit package to the ESI market. Rather, the State's goal is to assist an individual's transition to ESI. It is also likely that an employer sponsored plan may offer additional access to care due to the fact that many ESI plans offer a broader provider network than does the Medicaid program.

### **Premiums and Copayments:**

Summary of Comments: Some commenters expressed concerns that members with incomes below 100% of the FPL will not be able to afford paying the monthly premium or other cost-sharing obligations. They noted that for members living at or near poverty, a nominal premium payment is unaffordable given the need to pay for other necessities. Other commenters encouraged the State to remove the tobacco surcharge, while some raised the concern that members will lose coverage due to nonpayment of premiums and thus disrupt continuity of care and treatment for members.

Some commenters also raised concerns over the copayment for non-emergency use of the emergency department. They noted this is an issue for all types of insurance across the State, and individuals should not be charged a higher copayment for seeking medical attention when it is needed. Others worried that members may avoid emergency department utilization even in cases when that level of care is appropriate.

State Response: Federal regulations allow cost-sharing of up to 5% of household income for select Medicaid populations and the marketplace. The State is seeking a waiver to extend minimal cost-sharing of up to 5% of income for the Georgia Pathways population with income between 50% and up to 100% of the FPL. This is an important policy lever to engage members and establish personal responsibility similar to what is expected of those insured outside of Medicaid. Other Georgia Medicaid programs also have a cost-sharing requirement, and the

premium structure aligns with affordability across all incomes of Georgia Pathways members. Additionally, PPACA allows for a tobacco surcharge on insurance premiums in commercial health insurance. In an effort to align with the commercial health insurance market, and to provide an incentive to discontinue tobacco use, the State is including a tobacco surcharge for Georgia Pathways members.

Regarding the copayment for non-emergency use of hospital emergency departments, the copayment is not a penalty. The copayment is paid from the Member Rewards Account which is funded through premium payments and engaging in healthy behaviors, which may also include reward contributions for avoiding inappropriate emergency room use. In addition, the copayment does not result in a reduction in hospital reimbursement for the service. Moreover, this copayment is for non-emergency use, not emergent use; emergent use of the emergency department does not have a copayment. The Department would also like to clarify that under federal law, the copayment is not a requirement for service.

### **Other:**

Summary of Comments: Some commenters expressed concerns with the administrative burden for individuals, the State, and other organizations to maintain compliance and provide verification with work and other employment-related activities.

Commenters also advocated for the integration of Grady Health System's Healthy Georgia Solution into the waiver proposal as a comprehensive approach to providing access to care for the uninsured.

Some commenters emphasized the importance that mental health parity be a mandated component of any health reform in Georgia.

Other commenters expressed concern over the existing provider network serving the Medicaid population, with some suggesting that increasing the number of covered Medicaid members will negatively impact wait times for primary care, specialists, and procedures.

Some commenters mentioned this proposal does not address the high rate of uninsured children in Georgia. Others were concerned that Georgia Pathways will threaten their existing Medicaid coverage.

The State also received comments that were not relevant to the Georgia Pathways proposal as well as other comments regarding operational considerations for implementation of the program, including suggestions for healthy behavior activities, mechanisms for reporting qualifying activities, considerations related to capitation recoupment for delinquent premium payments, the mandatory HIPP program's reimbursement methods, the evaluation plan, and supports for qualifying activities.

State Response: The State currently operates the TANF program through the Department of Family and Children Services and requires hours and activities reporting for that program. The State chose to mirror the existing core activities in TANF for Georgia Pathways to reduce the State's administrative burden because the technology and infrastructure to report these activities

currently exists. To reduce the burden on members, the State will provide different mechanisms for reporting qualifying activities, such as using an online portal and reporting in person. Additionally, the State's waiver includes a provision that would exempt members from reporting who have qualified through a pathways approach for six consecutive months until the next annual redetermination period. The State will make every effort to minimize the burden on all those involved while advancing the Georgia Pathways program and increasing coverage to working Georgians.

Georgia appreciates the efforts some have made to develop alternative proposals. The State specifically appreciates the efforts of the Grady Health System in developing and submitting its Healthy Georgia Solution for consideration. However, the Grady Solution only provides the opportunity for coverage in a limited number of sites, whereas Georgia Pathways provides the opportunity for coverage across the entire state, which is the State's preferred approach.

The benefits offered under Georgia Pathways mirror those provided through the existing Medicaid State Plan, except for waiving NEMT and the fact that members enrolled through ESI will not receive wraparound benefits. The Georgia Pathways program offers the same mental health benefits as does the existing Medicaid program. All State Medicaid Agencies are required by federal statute to comply with the Mental Health Parity requirements. To that end, Georgia has developed a reporting and monitoring methodology for self-auditing compliance with the Mental health parity rules. The 1115 Waiver Program falls within the context of general Medicaid coverage and is, therefore, subject to the same compliance requirements.

The new Georgia Pathways population will be enrolled into the State's existing CMOs. Georgia closely monitors the GeoAccess of the existing CMO networks, and if a deficiency is identified, requires the CMO to take corrective action.

For uninsured children, PeachCare for Kids remains available for children age 18 and under in families up to 247% of the FPL. The proposed Georgia Pathways program does not impact the current eligibility criteria for PeachCare for Kids. Similarly, Georgia Pathways does not impact those currently enrolled in Medicaid under Georgia Families or another categorical eligibility group. Rather, Georgia Pathways seeks to increase Medicaid coverage by providing a new avenue for working Georgians who meet the hours and activities threshold who are otherwise ineligible to enroll in Medicaid.

The State appreciates the operational considerations and will take these comments in to account during program design.

### 8.3.1: Changes to the Waiver

The State appreciates the public's input on the Georgia Pathways 1115 waiver. Based on comments received, both written and those given through oral testimony, and other channels of feedback, the State has proposed the following changes to the waiver:

- **Removal of Transitional Medicaid Assistance:** The State reiterated that Georgia Pathways would not impact the existing Medicaid program or its participants. To reduce confusion, the State is removing all references to the TMA population from the waiver. As is the

State's current policy, members transitioning off low-income Medicaid will receive Medicaid for an additional 6 months, with the potential for 12 months of additional coverage. After the transitional coverage period expires, these individuals will then be eligible for Georgia Pathways, so long as their income is below and up to 100% of the FPL.

- Clarification of Higher Education: The State added language in *Section 2.2.2* to clarify that individuals enrolled in an institution of higher learning who are eligible to remain on a parent's insurance are not eligible for Georgia Pathways. The State also clarified that former foster children are not eligible, as there are alternative Medicaid coverage options for this population. Additionally, the State revised the enrollment commitment for higher education as a qualifying activity in order for part-time enrollment to contribute towards meeting the overall 80 hour per month threshold. The course credits taken as a percentage of full-time enrollment will be converted to hours in meeting the Georgia Pathways requirement (e.g., if a part-time student is enrolled in 6 credit hours and the Department of Community Health deems 12 credit hours to be full-time, then that student would get credit for 40 hours of qualifying activities and would need to meet 40 additional hours through some other qualifying activity).

## 8.4: Tribal Consultation

The State of Georgia does not have any Federally-recognized Indian tribes within its borders and thus has not established a separate process for consultation with any tribes with respect to this Section 1115 Demonstration waiver application.

## Section 9: Demonstration Administration

Name and Title: Blake T. Fulenwider, Chief Health Policy Officer, Georgia Department of Community Health

Telephone Number: 404-657-7793

Email Address: [blake.fulenwider@dch.ga.gov](mailto:blake.fulenwider@dch.ga.gov)

## Appendix A: Evaluation Plan

Hypothesis	Anticipated Measure	Data Sources	Evaluation Approach
<b>Goal: Improve the health of low-income Georgians by increasing their access to affordable healthcare coverage by encouraging work and other employment-related activities</b>			
Georgia Pathways policies will increase access to primary care	The percentage of members 20 years and older who had an ambulatory or preventive care visit	Claims/ Encounter data	Track and compare primary care utilization rates and trends
<b>Goal: Reduce the number of uninsured Georgians</b>			
Georgia Pathways policies will reduce the number of uninsured in Georgia	Number of adults between the ages of 19 and 64 in Georgia without healthcare coverage	American Communities Survey	Track and compare the uninsured rate in Georgia over the course of the Demonstration
<b>Goal: Promote member transition to commercial health insurance</b>			
Georgia Pathways policies will increase the number of Georgia Pathways participants who transition to commercial health insurance, including employer sponsored insurance and individual health insurance market coverage, after separating from Medicaid	Number of members with reported enrollment in commercial coverage, including ESI and individual health insurance market plans, within one year of disenrollment from Medicaid	Administrative data	Track the number of members who lose eligibility due to gained income  Track number of former Georgia Pathways participants successfully transitioning to commercial health insurance coverage
<b>Goal: Empower Georgia Pathways participants to become active participants and consumers of their healthcare</b>			
Georgia Pathways policies will encourage members to use Member Rewards Account for services outside of copays	The percentage of members who use their Member Rewards Account for added services	Administrative data	Track the use of the Member Rewards Account for added services

Hypothesis	Anticipated Measure	Data Sources	Evaluation Approach
<b>Goal: Support member enrollment in employer-sponsored insurance by providing premium assistance for qualifying employer-sponsored health plans, if doing so is cost-effective for the State</b>			
Georgia Pathways policies will increase the number of Georgia residents below and up to 100% of the FPL enrolled in employer sponsored insurance	Number of enrolled members with employer sponsored insurance	Administrative data	Track the number of members with income below and up to 100% of the FPL enrolling in employer sponsored insurance through mandatory HIPP
<b>Goal: Increase the number of persons who become employed or engage in employment-related activities</b>			
Georgia Pathways policies will increase the number of adults below and up to 100% of the FPL who are engaged in at least 80 hours a month of employment or employment-related activities	Percentage of adults engaged in at least 80 hours per month of work or other employment-related activities	Administrative data	Track the number of individuals who become eligible for Pathways
<b>Goal: Increase wage growth for those who are employed</b>			
Georgia Pathways policies will increase wage growth for those made eligible for Medicaid through the Demonstration	Incomes of those enrolled in Georgia Pathways or who transition off of Pathways to commercial coverage	Administrative data	<p>Compare earnings of members at annual redetermination.</p> <p>Track the number of members who graduate from Medicaid coverage into the private health insurance marketplace</p>
<b>Goal: Support the long-term, fiscal sustainability of the Medicaid program</b>			
The General Fund contribution will remain below the national average as measured by the National Association of State Budget Officers (NASBO)	The State share of Medicaid as a percentage of the State budget	Annual NASBO budget survey	Track ranking of Georgia against the national average



## Appendix B: Budget Neutrality With and Without Waiver Exhibits

<u>Pathways</u>	DEMONSTRATION YEARS (DY)					TOTAL
Pop Type: Hypothetical	DY 01	DY 02	DY 03	DY 04	DY 05	WOW
Eligible Member Months	300,342	473,616	487,824	504,898	525,094	
PMPM Cost	516.49	530.97	533.92	557.95	583.05	
Total Expenditure	\$ 155,123,640	\$ 251,475,888	\$ 260,458,990	\$ 281,707,839	\$ 306,156,057	\$ 1,254,922,413

<u>Pathways</u>	DEMONSTRATION YEARS (DY)					TOTAL
Pop Type: Hypothetical	DY 01	DY 02	DY 03	DY 04	DY 05	WW
Eligible Member Months	300,342	473,616	487,824	504,898	525,094	
PMPM Cost	\$516.49	\$ 530.97	\$ 533.92	\$ 557.95	\$ 583.05	
Total Expenditure	\$ 155,123,640	\$ 251,475,888	\$ 260,458,990	\$ 281,707,839	\$ 306,156,057	\$ 1,254,922,413

<b>HYPOTHETICALS VARIANCE</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Totals may not equal sum of the parts due to rounding.



GEORGIA DEPARTMENT  
OF COMMUNITY HEALTH

# Georgia Pathways Section 1115 Draft Waiver



## Department of Community Health Board Meeting

November 4, 2019

11:30 AM



# Mission:

The mission of the Department of Community Health is to provide access to affordable, quality health care to Georgians through effective planning, purchasing, and oversight.



# 1115 Waiver Notice Background Information

# Patients First Act

## Background

- Signed **March 27, 2019**
- Grants the DCH authority to submit a Section 1115 waiver to the Centers for Medicare & Medicaid Services (CMS)

## Key Points

- 1115 waiver must be submitted on or before **June 30, 2020**
- Allows increase in Medicaid eligibility to a **max of 100% of the Federal Poverty Level (FPL)**
- Grants **authority to implement** the 1115 waiver



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# Purpose of 1115 Waivers

## Purpose of the Demonstration Waivers

- Section 1115 of the Social Security Act grants the HHS Secretary authority to approve state waivers to **implement demonstration projects that test different approaches** promoting the objectives of the Medicaid program

## Waiver Considerations for CMS Approval

- Waivers must be **budget neutral** for the federal government
- Waivers are typically approved for **five years** and often renewed
- **Revised approval criteria in 2017** grants increased flexibility



# Waiver Development Process

## 1. Completed Environmental Scan

- Conducted review of state and national healthcare trends
- Convened Georgia stakeholders from across the healthcare landscape

## 2. Developed and Modeled Potential Waiver Options

- Established goals and identified potential waiver options
- Developed actuarial models to assess financial and economic impact
- Consulted with the Centers for Medicare & Medicaid Services (CMS)

## 3. Drafted Waivers

- Drafted waiver to release for public comment November 4, 2019
- Holding six public hearings across the state
- Accepting public comments online or by mail through December 3, 2019



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# Overview of Draft 1115 Waiver Application



# Goals of Georgia's 1115 Waiver

Improve access, affordability, and quality of healthcare in Georgia with strategies to:

- **Improve the health of low-income Georgians** by increasing access to affordable healthcare coverage by encouraging work and other employment-related activities
- Reduce the number of **uninsured Georgians**
- Promote member transition to **commercial health insurance**
- **Empower Georgia Pathways participants** to be active participants and consumers of their healthcare
- Support newly eligible member enrollment in **employer-sponsored insurance**
- Increase the number of persons who become **employed**
- **Increase wage growth** for those who are employed
- Ensure the **long-term, fiscal sustainability** of the Medicaid program



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# 1115 Waiver Design

## Key Features of the Program



Provides **new pathways to Medicaid coverage** for Georgians who are not eligible for Medicaid today



**Introduces elements of commercial health insurance,** helping members with the eventual transition to that market



**Provides premium assistance** for eligible individuals with access to employer sponsored health insurance

**New pathways begin July 1, 2021**



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# New Pathways to Coverage

Georgia residents now have a pathway to Medicaid coverage if they meet the following criteria:

- **Not currently eligible** for Medicaid in Georgia
- Ages **19 to 64**
- Income is **< 100% FPL**
- Working at least **80 hours / month** or engaged in another qualifying activity
- **American citizen** or documented, qualified alien



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# New Pathways to Coverage

## Qualifying Activities

- ✓ Unsubsidized employment
- ✓ Subsidized private sector employment
- ✓ Subsidized public sector employment
- ✓ On-the-job training
- ✓ Job readiness
- ✓ Community Service
- ✓ Vocational educational training
- ✓ Full-time enrollment in an institution of higher education



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# Elements of Commercial Health Insurance

*Members 50 – 100% FPL will have Premiums, Copays, and Rewards Accounts*

## Premiums

- Monthly premium payments are **based on income**

## Copayments

- Copayment amounts **mirror the existing State Plan** (with the addition of a copay for non-emergent visits to the Emergency Department)

## Member Rewards Account

- Members **earn points** by engaging in **healthy behaviors**
- Rewards Accounts can be used to purchase items such as **over the counter drugs, dental services, glasses, and contacts**, as well as pay **copayments**



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# Employer Sponsored Insurance

## Employer Sponsored Insurance (ESI)

- Georgia currently operates a voluntary **Health Insurance Premium Payment (HIPP) program** under the State Plan
- If an eligible individual gaining Medicaid coverage through Georgia Pathways has access to ESI, the **State will assess if it is more cost-effective** to enroll in Medicaid or pay the individual's portion of the ESI premium and other cost-sharing obligations
- If it is more cost-effective, the individual will be required to **enroll in their ESI plan instead of Medicaid**
- **Medicaid will reimburse the individual's portion** of the ESI premium

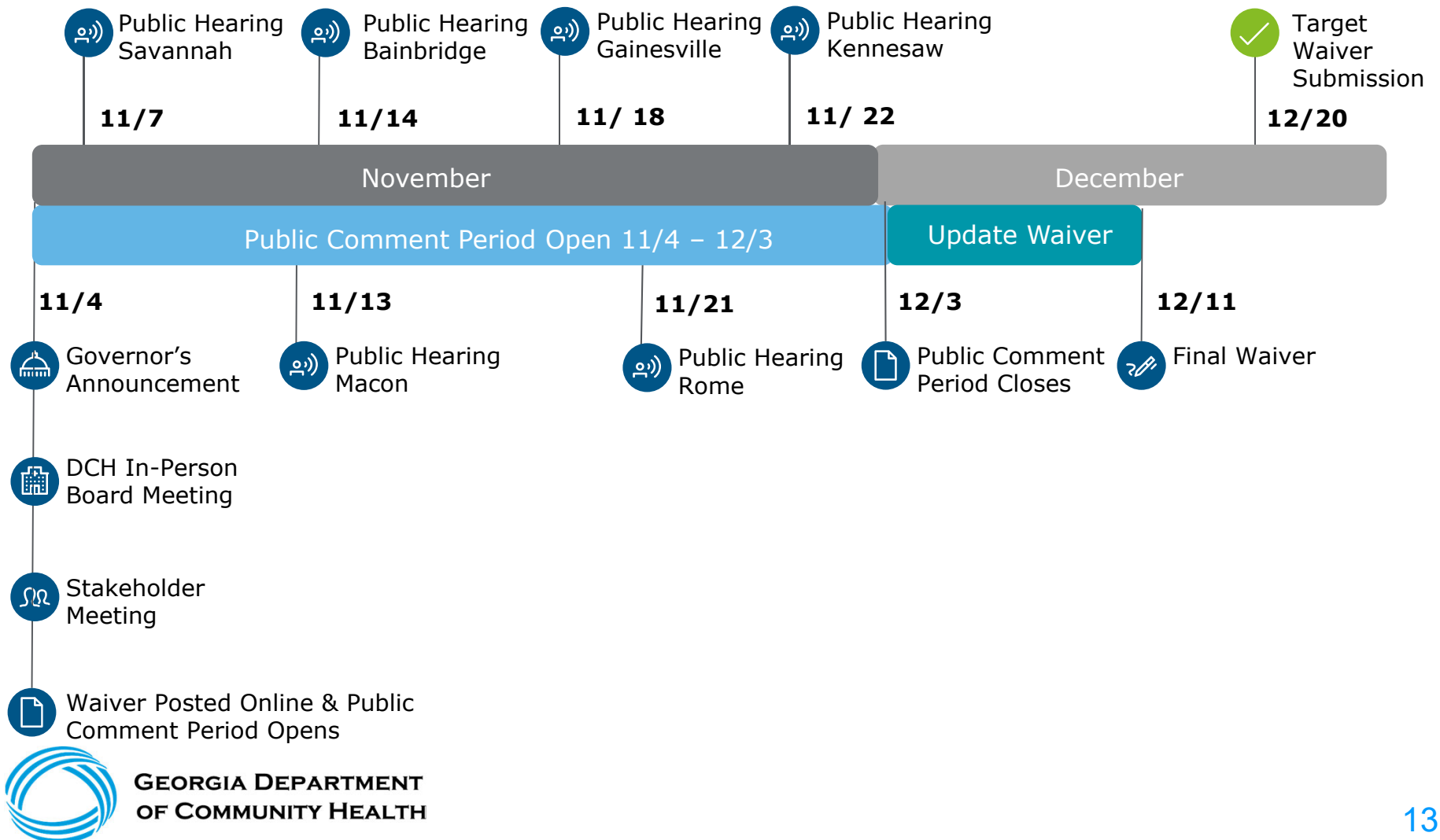


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# Public Comment Process



# 1115 Public Comment Submission

Submit comments through December 3, 2019 **online** at:

<https://medicaid.georgia.gov/patientsfirst>

**Mail** must be postmarked by December 3, 2019, to:

Lavinia Luca

c/o Board of Community Health

Post Office Box 1966

Atlanta, Georgia 30301-1966



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OF COMMUNITY HEALTH





# Questions regarding Georgia Pathways 1115 Demonstration Waiver



# Overview of Section 1332 Draft Waiver

# Goals of Georgia's 1332 Waiver

Improve access and affordability of individual healthcare coverage in Georgia with strategies to:

- **Reduce premiums**, particularly in high-cost regions
- **Incentivize carriers to offer plans** in more counties across the State
- **Foster innovation** to provide better access to healthcare coverage
- **Expand choice** and **affordability** of options for consumers
- **Attract uninsured individuals** into the market
- **Maintain access** to metal level Qualified Health Plans (QHPs) and Catastrophic Plans
- **Maintain protections** for individuals with pre-existing conditions



# 1332 Waiver Design

## Key Features of the Program



Implement a **reinsurance program** to help stabilize the individual market by **reducing premiums** and attracting and retaining carriers



**Transition Georgia's individual market** from the Federally Facilitated Exchange **to the Georgia Access Model** to improve access, choice, and affordability for consumers

**Reinsurance begins 2021 and Georgia Access in 2022**



# Reinsurance Overview and Benefits

## Elements of the Reinsurance Program

- **Claims-based reinsurance model**, projected parameters for 2022:
  - Attachment Point: \$20,000
  - Cap: \$500,000
  - Tiered Coinsurance Rate: 15%, 45%, 80%
- **Higher coinsurance rates** applied to **high-cost regions** of the state
- Target **10% reduction** in average premiums statewide



# Georgia Access Model Overview

## Front-End Operations (Private Sector)

- **Consumers shop, compare, and purchase plans** through the private sector (web-brokers or carriers)
- Private sector leverages mechanisms and incentives in the commercial market to provide **education, outreach, and customer service**

## Back-End Operations (the State)

- **Certifies plans** eligible for subsidies (QHPs and Eligible Non-QHPs)
- Calculates **eligibility for subsidies**
- **Issues subsidies** to plans on behalf of individuals
- Provides **program oversight** and compliance



# Georgia Access Model Benefits

## What Stays the Same?

- Access to **current QHP and High-Deductible Plan** options
- **Protections** for individuals with pre-existing conditions
- **Subsidies** to support affordability (mirrors federal structure for 2022)

## Benefits of Georgia Access

- **Ability for consumers to view all plans** available to them which are licensed and in good standing with the state via web-broker platforms
- Ability for consumers to **enroll/re-enroll directly with carriers**
- **Expands consumer choice** of affordable options with Eligible non-QHPs
- **Provides flexibility** for the State to adjust the program structure **to best meet the needs of Georgians**





# Purpose:

Shaping the future of A Healthy Georgia by improving access and ensuring quality to strengthen the communities we serve.



## Public Notice

### Georgia Pathways to Coverage 1115 Demonstration Waiver

The Georgia Department of Community Health (DCH) hereby notifies the public that it intends to submit a Section 1115 Demonstration Waiver to the Centers for Medicare & Medicaid Services (CMS) for Georgia Pathways to Coverage (Georgia Pathways), effective for services provided on or after July 1, 2021.

Pursuant to 42 CFR 431.408, DCH will provide the public the opportunity to review and provide input on the Section 1115 Demonstration Waiver. This notice provides details about the waiver submission and serves to open the 30-day public comment period, which closes on Tuesday, December 3, 2019.

#### Georgia Pathways Description

Georgia is requesting approval of an 1115 Demonstration Waiver to implement new policies that will further the State's vision of creating "A Healthy Georgia." The State recognizes too many of its working, low-income citizens do not have access to or are unable to afford healthcare coverage. The State is creating a new eligibility pathway focused on encouraging and incentivizing work and other employment-related activities, for low-income Georgians who are not otherwise eligible for Medicaid coverage.

To further support Georgians on their journey to self-sufficiency and the destination of commercial health insurance coverage, Georgia Pathways is embracing private market policies and principles, such as premiums, copayments, member rewards accounts, and prospective Medicaid eligibility, for a segment of the Georgia Pathways population and the Transitional Medical Assistance (TMA) population.

Georgia is using the following policies to implement Georgia Pathways:

- **Georgia Pathways** – Provide a pathway to Medicaid coverage for working Georgians with household incomes up to 95% of the Federal Poverty Level (FPL), which includes a 5% of the FPL income disregard (referred to as incomes up to 100% of the FPL), and serves as an incentive for participation in work and other employment-related activities for those not currently engaged.
- **Consumer Tools** – Introduce consumer-engagement elements into the Medicaid program to prepare Georgia Pathways participants to transition into the commercial health insurance market once their income exceeds 100% of the FPL.
- **Employer Sponsored Insurance (ESI)** – Provide premium assistance to those who become Medicaid-eligible through Georgia Pathways and who have access to ESI through a mandatory Health Insurance Premium Payment (HIPP) program.

## Georgia Pathways Goals and Objectives

Georgia's goals for the Demonstration are to improve **access**, **affordability**, and **quality** of healthcare through strategies that:

- Improve the health of low-income Georgians by increasing their access to affordable healthcare coverage by encouraging work and other employment-related activities.
- Reduce the number of uninsured Georgians.
- Promote member transition to commercial health insurance.
- Empower Georgia Pathways participants to become active participants and consumers of their healthcare.
- Support member enrollment in employer-sponsored insurance by providing premium assistance for qualifying employer-sponsored health plans, if doing so is cost-effective for the State.
- Increase the number of persons who become employed or engaged in employment-related activities.
- Increase wage growth for those who are employed.
- Ensure the long-term, fiscal sustainability of the Medicaid program.

## Georgia Pathways Proposed Eligibility Requirements, Health Care Delivery System, Benefit Coverage, and Cost Sharing

### Proposed Eligibility Requirements

Georgia Pathways to Coverage will introduce a new eligibility pathway for working Georgians who would otherwise not be eligible for Medicaid coverage. In order to be eligible for coverage under Georgia Pathways, an individual must meet an hours and activities threshold of 80 hours per month of engagement in a qualifying activity such as employment, community service, or education, and have an income less than 100% of the FPL.

The State will consider the below activities as acceptable for meeting the activities threshold.

Table 1: Activities and Definitions

Activity	Definition
Unsubsidized employment	Full- or part-time employment in the public or private sector that is not subsidized by a public program.
Subsidized private sector employment	Employment in the private sector for which the employer receives a subsidy from public funds to offset some or all of the wages and costs of employing an individual.
Subsidized public sector employment	Employment in the public sector for which the employer receives a subsidy from public funds to offset some or all of the wages and

	costs of employing an individual.
On-the-job training	Training in the public or private sector that is given to a paid employee while he or she is engaged in productive work, and that provides knowledge and skills essential to the full and adequate performance of the job.
Job Readiness	Activities directly related to the preparation for employment, including life-skills training, resume building, and habilitation or rehabilitation activities. Rehabilitation activities must be determined to be necessary and documented by a qualified medical professional.
Community Service	Structured programs and embedded activities in which the member performs work for the direct benefit of the community under the auspices of public or nonprofit organizations. Community service programs must be limited to projects that serve a useful community purpose in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care. A state agency shall take into account, to the extent possible, the prior training, experience, and skills of an individual in making appropriate community service assignments.
Vocational Educational Training	Organized educational programs that are directly related to the preparation of individuals for employment in current or emerging occupations. Course hour requirements for vocational educational training shall be determined by the Department of Community Health.
Enrollment in an Institution of Higher Education	Enrolled in a college, university, or other institution of higher learning with a full-time academic workload. A full-time academic workload shall be determined by the Department of Community Health. The student's workload may include any combination of courses, work, research, or special studies that the institution considers sufficient to classify the student as a full-time student.

The population eligible for Georgia Pathways includes parents, caretakers, or guardians with household incomes from 35% to 100% of the FPL who are not currently eligible for Medicaid and adults without dependent children with household incomes up to 100% of the FPL who are not currently eligible for Medicaid. Individuals must be between ages 19 and 64, must be a resident of Georgia and not incarcerated in a public institution, and must be a citizen of the United States or a documented, qualified alien.

### **Proposed Healthcare Delivery System**

The State will use a managed care delivery system to provide services to the Georgia Pathways population. The State currently contracts with four Medicaid Care Management Organizations

(CMO), which were selected through a competitive procurement process. The State will not use fee-for-service payments for any covered services.

### **Proposed Benefit Coverage**

The benefit package provided under Georgia Pathways will differ slightly from those benefits provided under the Medicaid State Plan. Georgia is seeking to provide a benefit package more consistent with commercial plan benefits and is requesting a waiver of non-emergency transportation (NEMT) for the Pathways population. The State Plan benefits include Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services for enrollees ages 19 and 20. Additional benefits such as vision and dental can be purchased through a Member Rewards Account that receives revenue from member contributions and state-funded incentives for healthy behaviors. The State will build upon its existing HIPPP program by paying the ESI premiums for all Georgia Pathways members with access to health insurance if it is cost-effective for the State. This will strengthen the State's overall insurance market by maintaining individuals in their ESI rather than moving them to a CMO.

For members for whom the State is paying the cost of ESI, wraparound benefits (i.e., benefits that are not covered by that ESI) are not covered.

### **Cost-Sharing**

Georgia will support members in preparing for commercial health insurance by requiring financial contributions towards the cost of coverage. These funds will then be used to incentivize members to engage in healthy behaviors and access additional benefits. As detailed below, certain Georgia Pathways and TMA members will be assessed enforceable premiums, which will be deposited into a Member Rewards Account. From this Account, members will be able to make required copayments as well as use funding to purchase qualified health-related services and goods.

### **Premiums**

A segment of the population eligible for Georgia Pathways and TMA will be required to make sliding scale flat rate monthly premium payments tiered based on family income. Premiums paid will be deposited in the member's (or household's) Member Rewards Account.

### **Applicable Populations**

Members who are required to pay premiums are:

- Adults without dependent children with incomes between 50% and 100% of the FPL who are not currently eligible for Medicaid and become eligible and enrolled through Georgia Pathways.
- Parents with household incomes between 50% and 100% of the FPL who are not currently

eligible for Medicaid and become eligible and enrolled through Georgia Pathways.

- Members enrolled in TMA with incomes of 50% of the FPL and above.

Members who are exempt from premium requirements are:

- Members enrolled through Georgia Pathways who are under the mandatory HIPPP program.
- Members receiving coverage through Georgia Pathways or TMA who are enrolled in, and for two months after graduation from, vocational education programs of highly sought-after trades through the Technical College System of Georgia High Demand Career Initiative/HOPE Career Grant programs.
- Members enrolled through Georgia Pathways or TMA with incomes below 50% of the FPL.
- All other populations not enrolled in Georgia Pathways or TMA.

## Premium Amounts

**Table 2: Sliding Scale Monthly Premium Contribution Amounts**

Percent of FPL	Monthly Single	Monthly Spouse	Tobacco Surcharge
50% - 84%	\$7.00	\$4.00	\$3.00
85% - 99%	\$11.00	\$7.00	\$5.00
TMA 50% and above	\$11.00	\$7.00	\$5.00

## Penalties

As in commercial health insurance, members are required to pay premiums to maintain eligibility for Georgia Pathways. Members who miss a premium will have a three-month period to retain their Georgia Pathways eligibility without being disenrolled.

## Copayments

The same populations subject to premiums will also be required to pay copayments for certain services. These copayments, when combined with other household copayments, will not exceed 3% of the household's income. Copayments and premiums together will not exceed 5% of household income.

Copayments under Georgia Pathways will not be assessed at the point of service and will not be collected by providers. Copayments will be assessed retrospectively for services already received..

## Copayment Amounts

Services for which mandatory copayments will be assessed mirrors the existing copayment structure under the State Plan, except for the addition of a copayment for non-emergency use of the emergency department.

**Table 3: Copayment for Services**

<b>Service</b>	<b>Copay</b>
<b>Inpatient hospitalization</b>	\$12.50 for entire stay
<b>Outpatient hospital visit</b>	\$3.00 per visit
<b>Non-emergency use of the emergency department</b>	\$30.00 per visit
<b>Primary care</b>	\$0.00
<b>Specialist</b>	\$2.00
<b>Durable medical equipment (DME)</b>	\$3.00 \$1.00 for rentals and supplies
<b>Pharmacy – Copayment varies based on the cost to the State</b>	\$10.00 or less: \$0.50 \$10.01 to \$25.00: \$1.00 \$25.01 to \$50.00: \$2.00 \$50.01 or more: \$3.00

### **Member Rewards Account**

The State will maintain a Member Rewards Account for the same populations subject to premiums and copayments. Funds in the account will be available to pay copayments as well as to pay for services not covered by Medicaid that will support the member's health goals. Through the Account, the State will provide incentives for members to engage in healthy behaviors and activities that support improvements in health outcomes.

### **Estimated Annual Enrollment and Aggregate Expenditures**

The population that will enroll under this Demonstration is not currently Medicaid-eligible; therefore, no actual historical data is available to support Budget Neutrality projections. The base eligible population is the total count of uninsured Georgians under 100% of the FPL and between the ages of 19 and 64 as reported by the U.S. Census Bureau via the American Community Survey five-year estimates.

Enrollment reflects the State's estimates for both those enrolling in CMOs and individuals enrolling in the mandatory HIPP program.

**Table 4: Estimated Annual Enrollment by Demonstration Year**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Estimated Enrollment	25,028	47,362	48,782	50,490	52,509
Estimated Member Months	300,342	473,616	487,824	504,898	525,094

No historical expenditure data for the target population to be covered by this Demonstration is available. The 21 to 64-year-old members in the State’s Georgia Families managed care program were identified as the best available comparable population to formulate the base cost for the Georgia Pathways population.

**Table 5: Estimated Annual Federal and State Expenditures**

<b>Demonstration Year</b>	<b>Eligible Member Months</b>	<b>PMPM Cost</b>	<b>Total Expenditure</b>
<b>Year 1</b>	300,342	\$426.33	\$128,044,805
<b>Year 2</b>	473,616	\$428.73	\$203,053,388
<b>Year 3</b>	487,824	\$422.55	\$206,130,031
<b>Year 4</b>	504,898	\$433.11	\$218,676,373
<b>Year 5</b>	525,094	\$443.94	\$233,110,230
<b>Total Federal &amp; State Funds</b>			<b>\$989,014,476</b>

## Hypotheses and Evaluation Parameters

The key hypotheses for the Georgia Pathways Demonstration are as follows:

- Georgia Pathway policies will increase access to primary care.
- Georgia Pathway policies will reduce the number of uninsured in Georgia.
- Georgia Pathway policies will increase the number of Georgia Pathways participants who transition to commercial health insurance, including employer sponsored insurance and Marketplace plans, after separating from Medicaid.
- Georgia Pathway policies will encourage members to use Member Rewards Account for services outside of copays.
- Georgia Pathway policies will increase the number of Georgia residents under 100% of the FPL enrolled in employer sponsored insurance.
- Georgia Pathways policies will increase the number of adults under 100% of the FPL who

- are engaged in at least 80 hours a month of employment or employment-related activities.
- Georgia Pathways policies will increase wage growth for those made eligible for Medicaid through the Demonstration.
- The General Fund contribution will remain below the national average as measured by the National Association of State Budget (NASBO).

Georgia Pathways will use the following performance measures:

- The percentage of members 20 years and older who had an ambulatory or preventive care visit;
- Number of adults ages 19-64 in Georgia without healthcare coverage;
- Number of members with reported enrollment in commercial coverage, including ESI and Marketplace plans, within 1 year of disenrollment from Medicaid;
- The percentage of members who use their Member Rewards Account for added services;
- Number of enrolled members with employer sponsored insurance;
- Percentage of adults engaged in at least 80 hours per month of work or other employment-related activities;
- Incomes of those enrolled in Pathways or who transition off of Pathways to commercial coverage.

## Waiver Authorities

Below is a list of proposed waivers necessary to implement Georgia Pathways:

- **Reasonable Promptness: Section 1902(a)(3)/Section 1902(a)(8)**
  - To the extent necessary to enable Georgia to begin Medicaid coverage on the first day of the month following an individual's determination of eligibility.
  - To the extent necessary to enable Georgia to begin Medicaid coverage on the first day of the month following an individual's first premium payment.
- **Methods of Administration: Section 1902(a)(4) insofar as it incorporates 42 CFR 431.53**
  - To the extent necessary to enable Georgia to waive non-emergency medical transportation services.
- **Provision of Medical Assistance: Section 1902(a)(8)**
  - To the extent necessary to enable Georgia to discontinue eligibility for, and not make medical assistance available to, members who fail to comply with the hours and activities threshold under Georgia Pathways.
- **Eligibility: Section 1902(a)(10)(A)**
  - To the extent necessary to enable Georgia to delay coverage until the first day of the month following an individual's determination of eligibility.



- To the extent necessary to enable Georgia to delay coverage until the first day of the month following an individual's first premium payment.
- **Comparability of Eligibility Requirements: Section 1902(a)(10)(A)(i)(VIII) and 1902(a)(17)**
  - To the extent necessary to enable Georgia to require an hours and activities requirement as a condition to maintain eligibility.
- **Amount, Duration, Scope, and Comparability - Section 1902(a)(10)(B)**
  - To the extent necessary to enable Georgia to allow individuals to receive the benefits provided through an ESI plan, without wrap-around benefits.
- **Cost-Sharing: Section 1902(a)(14) insofar as it incorporates Section 1916 and 1916A**
  - To the extent necessary to enable Georgia to charge monthly premiums and higher co-pays.
- **Freedom of Choice: Section 1902(a)(23)**
  - To the extent necessary to enable Georgia to restrict the freedom of choice of providers for Demonstration eligibility groups.
- **Retroactive Eligibility: Section 1902(a)(34)**
  - To the extent necessary to enable Georgia to begin eligibility the month following determination of eligibility and payment of any required premium.
- **Prepayment Review: Section 1902(a)(37)(B)**
  - To the extent necessary to enable Georgia to ensure that prepayment review be available for disbursements by members to their providers through the Member Rewards Account.
- **Vision and Dental Coverage: Section 1902(a)(43)**
  - To the extent necessary to enable Georgia not to cover certain vision and dental services described in sections 1905(r)(2) and 1905(r)(3) of the Act for 19- and 20-year-old members.
- **133 Percent Income Level: Section 1902(a)(10)(A)(i)(VIII)**
  - To the extent necessary to enable Georgia to implement a lower income level for the Demonstration group.

Georgia is requesting a waiver of the income level specified in Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, which will permit the State to implement an income level of 95% of the FPL, rather than 133% of the FPL, for the Demonstration group. This will allow the State to receive the full enhanced Federal Medical Assistance Percentage (FMAP) allowable under 42 U.S.C. Section 1396d(y).

### **Expenditure Authorities**

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for the items identified below (which would not otherwise be included as matchable expenditures under section 1903) shall, for the period of the Demonstration be regarded as

matchable expenditures under the State's Medicaid Title XIX State Plan. The expenditure authorities listed below promote the objectives of Title XIX.

#### **1. Demonstration Population I.**

- Expenditures to provide health services to non-disabled and non-elderly individuals age 19 through 64 with incomes above the Medicaid standard but at or below 100% of the FPL who are not otherwise eligible for Medicaid.
- Expenditures for premium assistance and associated cost-sharing to subsidize the employee's share of the costs of the insurance premium for employer sponsored health insurance to non-disabled and non-elderly low-income workers age 19 through 64 with incomes above the Medicaid standard but at or below 100% of the FPL who are not otherwise eligible for Medicaid as well as their spouses and their children, age 19 through 26, who are enrolled in their parents' ESI plan, who are not otherwise eligible for Medicaid.

#### **Locations to Access Copies of Public Notice and Waiver Application**

This public notice, the abbreviated public notice, and the demonstration application are also available on the Department's website homepage, at <https://medicaid.georgia.gov/patientsfirst>. This public notice, the abbreviated public notice, and the demonstration waiver application are also available for review at each county Division of Family and Children Services office. A comprehensive statewide list of locations of all Division of Family and Children Services offices can be found at <https://dfcs.georgia.gov/locations>.

#### **Public Hearings and Public Input Procedure**

Six opportunities for in-person public comment will be held. DCH will accept oral comments at these meetings. The meetings are as follows:

- **Savannah, Georgia**  
Thursday, November 7, 2019, 9:00 a.m. EST  
Mercer School of Medicine – Savannah Campus  
Hoskins Center for Biomedical Research (*corner of 66<sup>th</sup> and Ranger Street*)  
1250 East 66<sup>th</sup> Street, Savannah, GA 31404
- **Macon, Georgia**  
Wednesday, November 13, 2019, 9:00 a.m. EST  
Mercer University School of Medicine – Macon Campus  
Mercer Auditorium  
1550 College Street, Macon GA 31207

- **Bainbridge, Georgia**  
Thursday, November 14, 2019, 9:00 a.m. EST  
Southern Regional Technical College  
The Charles H. Kirbo Regional Center, Dining Room 112  
2500 East Shotwell Street, Bainbridge, Georgia 39819
- **Gainesville, Georgia**  
Monday, November 18, 2019, 9:00 a.m. EST  
Gainesville Civic Center, Chattahoochee Room  
830 Green Street, N.E., Gainesville, Georgia 30501
- **Rome, Georgia**  
Thursday, November 21, 2019, 9:00 a.m. EST  
West-Rome Baptist Church, The Well Building  
914 Shorter Avenue, Rome, Georgia 30165
- **Kennesaw, Georgia**  
Friday, November 22, 2019, 10:00 a.m. EST  
North Cobb Regional Library, Multi-Purpose Room  
3535 Old 41 HWY, Kennesaw, Georgia 30144

Individuals or groups with disabilities, who require special accommodations, including auxiliary communicative aids and services during these meetings should notify Matthew Krull at [Matthew.Krull@dch.ga.gov](mailto:Matthew.Krull@dch.ga.gov) or (404) 651-5016 no later than 24 hours ahead of the scheduled public hearing to ensure any necessary accommodation can be provided.

Individuals wishing to provide written comments on or before **December 3, 2019** may submit comments through an online webform located at: <https://medicaid.georgia.gov/patientsfirst> or to Lavinia Luca, c/o the Board of Community Health at the following address, Post Office Box 1966, Atlanta, Georgia 30301-1966. Comment letters must be postmarked by **December 3, 2019** to be accepted.

Public comments and public testimony will be provided to the Board of Community Health prior to the **December 12, 2019** Board meeting. The Board will vote on any proposed changes at the Board meeting to be held at 10:30 a.m. at the Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Board Room.

**NOTICE IS HEREBY GIVEN THIS 4<sup>TH</sup> DAY OF NOVEMBER 2019**  
**Frank W. Berry, Commissioner**

## Abbreviated Public Notice

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**Frank W. Berry, Commissioner**

**Brian P. Kemp, Governor**

**Frank W. Berry, Commissioner**

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2 Peachtree Street, NW | Atlanta, GA 30303-3159 | 404-656-4507 | [www.dch.georgia.gov](http://www.dch.georgia.gov)

## **Patients First Act Stakeholder Advisory Council**

- Office of Governor Brian P. Kemp, Ryan Loke
- Georgia Department of Community Health, Blake Fulenwider
- Georgia Department of Community Health
- Governor's Office of Planning and Budget
- Georgia Department of Behavioral Health and Developmental Disabilities
- Senator Blake Tillery
- Senator Ben Watson
- Senator Freddie Powell Sims
- Senator Dean Burke
- Representative Jodi Lott
- Representative Sharon Cooper
- Representative Matt Hatchett
- Representative Patty Bentley
- Representative Mack Jackson
- Representative Butch Parrish
- Office of Insurance and Safety Fire Commissioner
- Medical College of Georgia - Augusta University
- Mercer University School of Medicine
- Grady Memorial Hospital
- Children's Healthcare of Atlanta
- Piedmont Hospital
- Wellstar Health System
- Hospital Corporation of America
- Miller County Hospital
- HomeTown Health
- Medical Association of Georgia
- GA Academy of Family Physicians
- American Academy of Pediatrics, Georgia Chapter
- American College of Physicians - Georgia Chapter
- Georgia Pharmacy Association
- Georgia Council on Substance Abuse
- Viewpoint Health
- Georgia Primary Care Association

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Healthcare Facility Regulation | Medical Assistance Plans | State Health Benefit Plan | Health Planning

Equal Opportunity Employer



- Georgia Association of Community Service Boards
- Georgia Health Care Association
- Georgia Quality Health Plans Association
- Amerigroup Georgia
- CareSource Georgia
- Peach State Health Plan
- WellCare of Georgia
- Anthem Blue Cross Blue Shield of Georgia
- Alliant Health Plans
- Ambetter Health Plans
- Kaiser Health Plans
- Georgians for a Healthy Future
- Voices for Georgia's Children
- Georgia Public Policy Foundation
- Georgia State Health Law Clinic
- United Way





GEORGIA DEPARTMENT  
OF COMMUNITY HEALTH

# Georgia Waiver Project



## Stakeholder Meeting

November 4, 2019

1:00 PM



# Mission:

The mission of the Department of Community Health is to provide access to affordable, quality health care to Georgians through effective planning, purchasing, and oversight.



# 1115 and 1332 Waiver Background Information

# Patients First Act

## Background

- Signed **March 27, 2019**
- Grants the Department of Community Health (DCH) authority to submit a Section 1115 waiver to the Centers for Medicare & Medicaid Services (CMS)
- Grants the Governor authority to submit one or more Section 1332 innovation waivers to the Departments of Health and Human Services (HHS) and Treasury

## Key Points

- 1115 waiver must be submitted on or before **June 30, 2020**
- Allows increase in Medicaid eligibility to **max of 100% of Federal Poverty Level (FPL)**
- Grants **authority to implement** the 1115 waiver without further legislation
- 1332 waiver(s) must be submitted on or before **December 31, 2021**
- Upon approval of one or more 1332 waivers, **authorizes the state to implement**



GEORGIA DEPARTMENT  
OF COMMUNITY HEALTH

Source: Georgia General Assembly 2019-2020 [SB 106](#)

3

# Purpose of 1115 Waivers

## Purpose of the Demonstration Waivers

- Section 1115 of the Social Security Act grants the HHS Secretary authority to approve state waivers to **implement demonstration projects that test different approaches** promoting the objectives of the Medicaid program

## Waiver Considerations for CMS Approval

- Waivers must be **budget neutral** for the federal government
- Waivers are typically approved for **five years** and often renewed
- **Revised approval criteria in 2017** grants increased flexibility



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Source: Information from Medicaid.gov [About Section 1115 Demonstrations](#)

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# Revised 1115 Approval Criteria

## Revised CMS Waiver Approval Criteria (November 2017)

- **Improve access to high-quality, person-centered services** that produce positive health outcomes for individuals
- **Promote efficiencies** that ensure Medicaid's sustainability over the long-term
- **Support coordinated strategies** to address certain health determinants that promote upward mobility, greater independence, and improved quality of life
- **Strengthen beneficiary engagement** in their personal healthcare plan, including incentive structures that promote responsible decision-making
- **Enhance alignment** between Medicaid policies and commercial health insurance products to facilitate smoother beneficiary transition
- **Advance innovative delivery system and payment models** to strengthen provider network capacity and drive greater value for Medicaid



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Source: Information from Medicaid.gov [About Section 1115 Demonstrations](#)

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# Purpose of 1332 Waivers

## Background:

- States may waive parts of the Affordable Care Act (ACA) to pursue innovative strategies to provide access to high-quality, affordable health insurance

## Statutory Guardrails:

1. **Comprehensiveness:** Provide coverage at least as comprehensive as provided absent the waiver
2. **Affordability:** Provide cost-sharing protections against excessive out of pocket spending at least as affordable as absent the waiver
3. **Coverage:** Offer healthcare coverage to a comparable number of residents as absent the waiver
4. **Deficit Neutrality:** Must not increase the federal deficit



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Source: Information from CCIIO [Section 1332: State Innovation Waivers](#), Kaiser Family Foundation [Tracking Section 1332 Waivers](#), CMS and Treasury [Guidance October 2018](#)

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# Waiver Development Process

## 1. Completed Environmental Scan

- Conducted review of state and national healthcare trends
- Convened Georgia stakeholders from across the healthcare landscape

## 2. Developed and Modeled Potential Waiver Options

- Established goals and identified potential waiver options
- Developed actuarial models to assess financial and economic impact

## 3. Drafted Waivers

- Drafted waivers and released for public comment November 4, 2019
- Consulted with the Centers for Medicare & Medicaid Services (CMS)
- Holding six public hearings across the state
- Accepting public comments online or by mail through December 3, 2019



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# Overview of Draft 1115 Waiver Application

# Goals of Georgia's 1115 Waiver

Improve access, affordability, and quality of healthcare in Georgia with strategies to:

- **Improve the health of low-income Georgians** by increasing access to affordable healthcare coverage by encouraging work and other employment-related activities
- Reduce the number of **uninsured Georgians**
- Promote member transition to **commercial health insurance**
- **Empower Georgia Pathways participants** to be active participants and consumers of their healthcare
- Support newly eligible member enrollment in **employer sponsored insurance**
- Increase the number of persons who become **employed**
- **Increase wage growth** for those who are employed
- Ensure the **long-term, fiscal sustainability** of the Medicaid program



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# 1115 Waiver Design

## Key Features of the Program



Provides **new pathways to Medicaid coverage** for Georgians who are not eligible for Medicaid today



**Introduces elements of commercial health insurance,** helping members with the eventual transition to that market



**Provides premium assistance** for eligible individuals with access to employer sponsored health insurance

**New pathways begin July 1, 2021**



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# New Pathways to Coverage

Georgia residents will now have a pathway to Medicaid coverage if they meet the following criteria:

- **Not currently eligible** for Medicaid in Georgia
- Ages **19 to 64**
- Income is **< 100% FPL**
- Working at least **80 hours / month** or engaged in another qualifying activity
- **American citizen** or documented, qualified alien



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# New Pathways to Coverage

## Qualifying Activities

- ✓ Unsubsidized employment
- ✓ Subsidized private sector employment
- ✓ Subsidized public sector employment
- ✓ On-the-job training
- ✓ Job readiness
- ✓ Community Service
- ✓ Vocational educational training
- ✓ Full-time enrollment in an institution of higher education



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# Elements of Commercial Health Insurance

*Members 50 – 100% FPL will have Premiums, Copays, and Rewards Accounts*

## Premiums

- Monthly premium payments are **based on income**

## Copayments

- Copayment amounts **mirror the existing State Plan** (with the addition of a copay for non-emergent visits to the Emergency Department)

## Member Rewards Account

- Members **earn points** by engaging in **healthy behaviors**
- Rewards Accounts can be used to purchase items such as **over the counter drugs, dental services, glasses, and contacts**, as well as pay **copayments**



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# Employer Sponsored Insurance

## Employer Sponsored Insurance (ESI)

- Georgia currently operates a voluntary **Health Insurance Premium Payment (HIPP) program** under the State Plan
- If an eligible individual gaining Medicaid coverage through Georgia Pathways has access to ESI, the **State will assess if it is more cost-effective** to enroll in Medicaid or pay the individual's portion of the ESI premium and other cost-sharing obligations
- If it is more cost-effective, the individual will be required to **enroll in their ESI plan instead of Medicaid**
- **Medicaid will reimburse the individual's portion** of the ESI premium



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# Overview of Section 1332 Draft Waiver



# Goals of Georgia's 1332 Waiver

Improve access and affordability of individual healthcare coverage in Georgia with strategies to:

- **Reduce premiums**, particularly in high-cost regions
- **Incentivize carriers to offer plans** in more counties across the State
- **Foster innovation** to provide better access to healthcare coverage
- **Expand choice** and **affordability** of options for consumers
- **Attract uninsured individuals** into the market
- **Maintain access** to metal level Qualified Health Plans (QHPs) and Catastrophic Plans
- **Maintain protections** for individuals with pre-existing conditions



# 1332 Waiver Design

## Key Features of the Program



Implement a **reinsurance program** to help stabilize the individual market by **reducing premiums** and attracting and retaining carriers



**Transition Georgia's individual market** from the Federally Facilitated Exchange **to the Georgia Access Model** to improve access, choice, and affordability for consumers

**Reinsurance begins 2021 and Georgia Access in 2022**



# Reinsurance Overview and Benefits

## Elements of the Reinsurance Program

- **Claims-based reinsurance model**, projected parameters for 2022:
  - Attachment Point: \$20,000
  - Cap: \$500,000
  - Tiered Coinsurance Rate: 15%, 45%, 80%
- **Higher coinsurance rates** applied to **high-cost regions** of the state
- Target **10% reduction** in average premiums statewide



# Georgia Access Model Overview

## Front-End Operations (Private Sector)

- **Consumers shop, compare, and purchase plans** through the private sector (web-brokers or carriers)
- Private sector leverages mechanisms and incentives in the commercial market to provide **education, outreach, and customer service**

## Back-End Operations (the State)

- **Certifies plans** eligible for subsidies (QHPs and Eligible Non-QHPs)
- Calculates **eligibility for subsidies**
- **Issues subsidies** to plans on behalf of individuals
- Provides **program oversight** and compliance



# Georgia Access Model Benefits

## What Stays the Same?

- Access to **current QHP and High-Deductible Plan** options
- **Protections** for individuals with pre-existing conditions
- **Subsidies** to support affordability (mirrors federal structure for 2022)

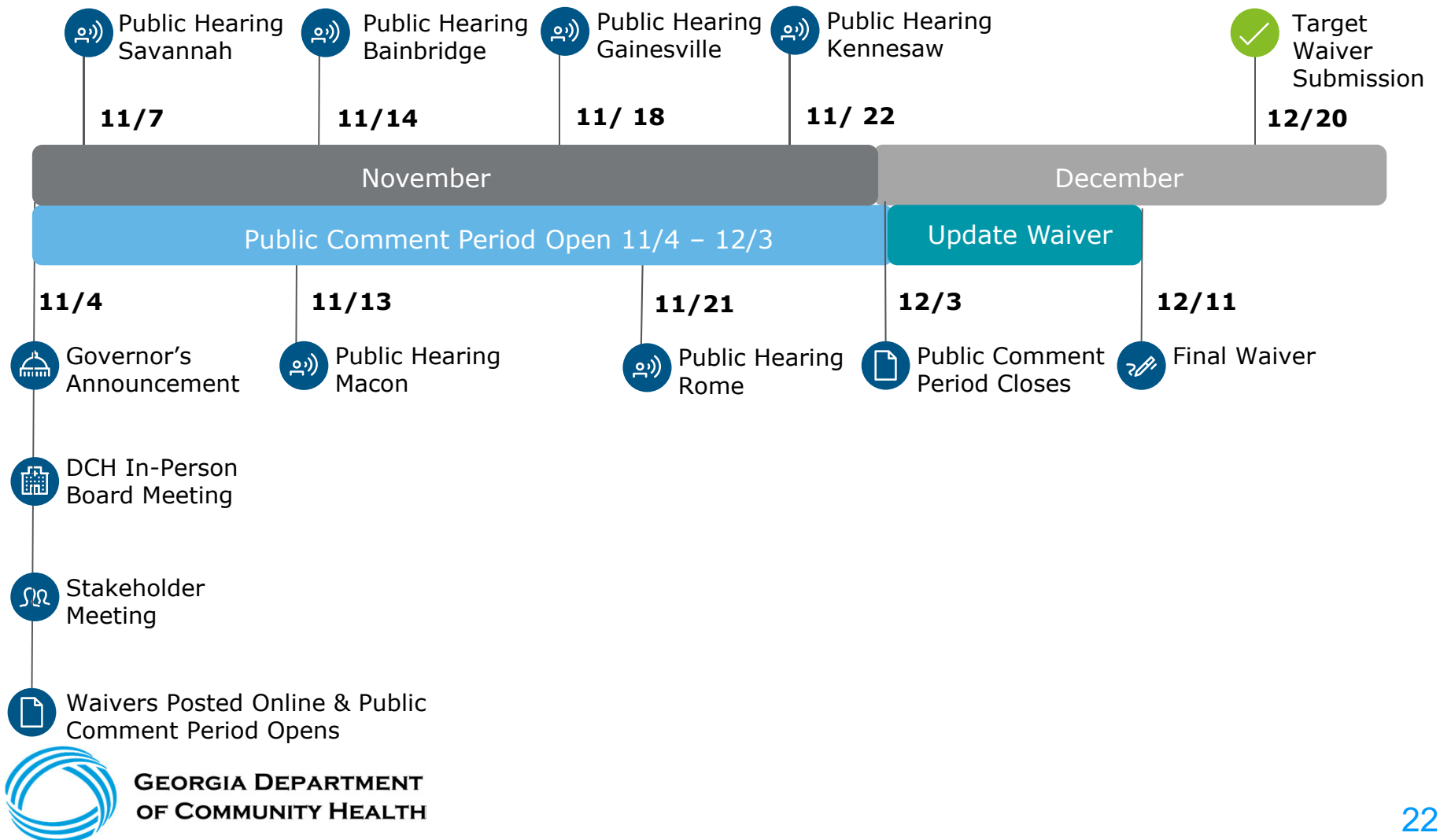
## Benefits of Georgia Access

- **Ability for consumers to view all plans** available to them which are licensed and in good standing with the state via web-broker platforms
- Ability for consumers to **enroll/re-enroll directly with carriers**
- **Expands consumer choice** of affordable options with Eligible non-QHPs
- **Provides flexibility** for the State to adjust the program structure **to best meet the needs of Georgians**



# Public Comment Period

# Public Comment Process



# Public Comment Submission

Submit comments through December 3, 2019 **online** at:

<https://medicaid.georgia.gov/patientsfirst>

Submit comments **by mail** to:

**For 1115:**

Lavinia Luca  
c/o Board of Community Health  
Post Office Box 1966  
Atlanta, Georgia 30301-1966

**For 1332:**

Ryan Loke  
c/o The Office of the Governor  
206 Washington Street  
Suite 203, State Capitol  
Atlanta, Georgia 30334



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# Purpose:

Shaping the future of A Healthy Georgia by improving access and ensuring quality to strengthen the communities we serve.



# Georgia Section 1115 Draft Waiver



## Public Hearing (Location)

(Date)

(Time)



# Mission:

The mission of the Department of Community Health is to provide access to affordable, quality health care to Georgians through effective planning, purchasing, and oversight.

# Today's 1115 Waiver Public Hearing

1. Brief overview on the background and waiver design

2. Open to public comments  ***Sign-up sheet***

3. Submit comments online through December 3, 2019 at:

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4. Mail comments by December 3, 2019 to:

Lavinia Luca  
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# Background Information

# Patients First Act

## Background

- Signed **March 27, 2019**
- Grants the Department of Community Health (DCH) authority to submit a Section 1115 waiver to the Centers for Medicare & Medicaid Services (CMS)

## Key Points

- 1115 waiver must be submitted on or before **June 30, 2020**
- Allows increase in Medicaid eligibility to a **max of 100% of the Federal Poverty Level (FPL)**
- Grants **authority to implement** the 1115 waiver without further legislation



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Source: Georgia General Assembly 2019-2020 [SB 106](#)

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# Purpose of 1115 Waivers

## Purpose of the Demonstration Waivers

- Section 1115 of the Social Security Act grants the HHS Secretary authority to approve state waivers to **implement demonstration projects that test different approaches** promoting the objectives of the Medicaid program

## Waiver Considerations for CMS Approval

- Waivers must be **budget neutral** for the federal government
- Waivers are typically approved for **five years** and often renewed
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